MODERN REVIEW

VOLUME I, NUMBER 10 DECEMBER, 1947

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Modern Review, a monthly, is published by the American Labor Conference on International Affairs at 7 East 15th Street, New York 3, N. Y. Subscription: $5 a year; single copy, 50¢. Canada and other foreign countries, $5.75 a year; single copy, 65¢. All payments from foreign countries must be made by U. S. money orders or by checks payable in U. S. currency or 75¢ added for collection charges. Manuscripts are invited. They should be accompanied by a self-addressed stamped envelope. Payment is at rate of 1¢ a word. Signed contributions do not necessarily represent the policy of *Modern Review* which is open forum in character and encourages complete freedom of expression on the part of its writers. Copyright, 1947, by the American Labor Conference on International Affairs. Application for entry as second-class matter is pending.

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COMMENT

The CIO Comes of Age

The House Committee on Un-American Activities made the big noise and received top billing, but the effective action against Communists came from a very different quarter. We refer to the victory of Curran and his Rank-and-File caucus (that title for a union caucus used to carry a CP copyright) at the National Maritime Union convention and the clean sweep of the United Automobile Workers by the Reuther forces. This mature performance by CIO unionists is in striking contrast to that of our legislators who so "ham up" any scene in which they appear that even those who have come specifically to applaud end up squirming in their seats with embarrassment.

In both these major CIO conventions every democratic right was accorded the minority—a minority which in neither case was entirely Communist but followed the Communist line. (The NMU affair dragged out to such length, everyone speaking his full piece, that the union practically went bankrupt paying hall rent.) In both instances all the tricks and maneuvers which for so long have enabled a totalitarian-minded, disciplined minority to win advantage over many times is own numbers were tried again. They failed for the simple reason that the democratic rank and file and leadership of the relatively young CIO unions are no longer the political "babes in the woods" that they once were. The days when they were easy marks for demagogues—of the CP or any other variety—have drawn to a close. They learned the hard way, perhaps, but they have learned—not only about Communism, but also things about democracy that are not to be found in school textbooks or Fourth of July orations. They have discovered what it can be made to mean as a living, vitalizing force *in action*. This certainly comes like a breath of fresh air at a time when most organizations and institutions, including the U. S. Government, are demonstrating that they can only make a mess of things whenever they swing into action against the Communists.

As important as these two conventions were in marking what may well prove to be the beginning of the end of real Communist power in the American labor movement, they have—particularly in the case of the UAW—what seems to us a much deeper significance. For

years now it has been apparent that the old "business as usual" unionism is unable to grapple with the problems that confront it in this era in which the political state is fast spreading its control over the economy. Insofar as the unions have made any headway of late, it has been more on the basis of blind instinct than by benefit of thought and theory.

It has been primarily in academic and intellectual circles—often sympathetic to, but also often far removed from, the labor movement—where problems vital to labor and society have been most ardently discussed. What new currents there were within the labor movement itself seemed to emanate primarily from the leadership (in most cases secondary leadership) of a few of the more progressive unions in the New York area and (this was a much newer and therefore more dramatic development) from Detroit in general and the headquarters of the UAW in particular.

The UAW was so wracked by factionalism that had little to do with bona fide labor issues, however, that it could not serve heretofore as a focal rallying point for the young, articulate forces in and around the labor movement that are capable of giving new meaning, direction and vigor to American trade unionism. This decisive victory by the Reuther forces in one of America's most powerful unions centered in one of its key mass production industries clears the way for such a development. To characterize the Reuther victory as a "swing to the right," as was done in the general press, is utterly fantastic. In recent years the Reuther leadership has stood to the left of the Thomas-Addes forces on almost every issue, and this orientation was dramatized at the convention by the rise of the left-wing socialist Emil Mazey to a position of top-leadership.

The question now is: Has the UAW leadership the vision to effect the new alignment with fresh elements that we refer to? If so, a new day may be dawning for American trade unionism in which its energies will not continually be frittered away in a series of necessary but inadequate rear-guard actions.

The Lesson Of The Elections

"Swing to the right" is the expression most frequently used to characterize the elections which recently took place in four Western European countries: the Danish parliamentary elections and the municipal elections in France, Norway and Great Britain. This catch-phrase needs to be considerably qualified.

First, the Danish elections present a special case. The reason for the ministerial crisis in Denmark, and, consequently, the principal issue in the elections was the question of whether or not Denmark should annex German Schleswig with its Danish minority. Denmark's "swing to the right" occurred only in the sense (a false one since the agents of Kremlin policy have nothing to do with "left" in the traditional meaning of that term) that the Communists lost heavily to the Socialists. But the Socialists gained even more than the Communists lost. While previously the combined vote of Socialists and Communists in Denmark had been 45.7 percent of all votes cast, in this election it was 46.9 per cent. The Socialists, however, emerged much stronger relatively, for formerly they alone had commanded only 33.1 percent of the total vote while now they command 40.1 percent. They now have 57 deputies in Parliament as against the former 48. The Communist Party obtained only 6.8 percent of the vote against its previous 12.6 percent and now has only 10 seats in Parliament against its former 18.

A second point to be made is that with Denmark excluded, it is not necessary to use such a vague expression as "swing to the right" in relation to the recent elections. The real trend, as revealed by the municipal elections in France, Norway and Great Britain is less a positive trend *to* something than it is a negative trend *away* from something; specifically *away from Socialism*. Of course the meaning of the elections cannot be explained in terms of this trend alone, but it seems the one which best serves as a common denominator—not only in relation to the three countries named but also to most of Western Europe.

The Communists, it is to be noted, lost in all cases; but—Denmark excepted—the Socialists either did not win the former Communist vote or, if they did, won less from the Communists than they lost to other parties. In Norway all parties, except the Communists, increased their vote because of the higher percent of eligible voters who went to the polls: 80 percent this year as against 65 percent two years ago. But the Socialists lost relatively, for the gains of non-socialist parties were comparatively high.

In France, in towns of more than 9,000 population, the Communists obtained 29.3 percent of the vote as against 32.4 percent in November 1946. But the Socialist vote also fell from 16.6 to 14.3 percent. This ran counter to the expectation that a decline in Communist influence would result in an increase of Socialist influence. It appears instead that the trend away from Communism is coinciding, to some degree at least, with a trend away from Socialism. This is not

as paradoxical as it may seem. Communists everywhere are—above all—admirers of Soviet Russia. But Soviet Russia is represented by Communist propaganda (often also by anti-Communist propaganda) as *the* Land of Socialism. Socialism itself is represented as responsible for all the horrors of the Soviet system. Also, especially in France, great illusions exist about Soviet Russia. Even French Socialist ranks are not free from such illusions. It is only natural, therefore, that many people who have become disillusioned with Communism (i.e. with Soviet Russia) have also become enemies of Socialism.

Misrepresentation of Socialism in another respect, however, also contributes to this trend away from it. In commenting on the results of the British elections, Morgan Phillips, secretary of the British Labor Party, spoke of "the popular discontent over inevitable shortages and restrictions." According to the London *Economist,* "there is much dissatisfaction with the level of controlled prices for farm produce" in Norway's agricultural districts. "General opposition to price control, centralization and expensive administrative machinery," the *Economist* continues, "has concentrated on the controversial *lex Thagaard,* the key to the Government's power to impose controls." Similar opposition is expressed in France against the innumerable regulations and especially against the enormously swollen, often incompetent and corrupt, economic bureaucracy.

Unfortunately *all* regulations, even those dictated by bitter misery, are coming to be considered as necessary attributes of Socialism. These are regulations which any government in such circumstances would be forced to impose. Nevertheless they are attributed primarily to Socialist governments or socialistic influence within governments.

The Socialist parties themselves are increasing their burden of responsibility unnecessarily by their tendency to represent most regulations as corresponding to the principles of a Socialist economy. It may also be that in some cases they have been in so much of a hurry to nationalize while they have the power to do so that they have acted without adequate knowledge, without providing the necessary safeguards against bureaucratization and without sufficient attention to the needs of consumers.

It is not merely bad luck but also bad tactics that the Socialist parties in most European countries (the Social Democratic Party in Western Germany seems to be an exception) have not made completely clear the real problems of present-day Socialist politics. The irreconcilable opposition of Socialist ideas and ideals to modern Communism as represented by Soviet Russia and her parties throughout the world

has not been sufficiently emphasized. On the other hand, there has been no adequate distinction made between the fundamental principles of Socialist humanism and practical activity determined by expediency or by purely tactical considerations. Of course every government and every party participating in government has to pay not only for its own mistakes but also for the objectively unavoidable hardships. We consciously stress the one side here which concerns especially the Socialist parties, because we, above all, are interested that these parties grasp the meaning of the trend away from Socialism and learn the lesson of the elections.

How Red Is My Movie?

> The Spanish Civil War, which remains a controversial Hollywood topic, has been eliminated from Warner Brothers' projected screen version of Marxwell Anderson's *Key Largo,* and the scenario by Richard Brooks, which brings the play up to date, substitutes the Italian peninsular campaign of the Second World War for the Spanish conflict.
>
> —*New York Times,* November 9, 1947

The House Committee on Un-American activities has suspended its public hearings on the influence of Communism on the motion picture industry. One feels a sense of relief, but it would be a mistake to attempt to ignore the whole business as a *faux pas* or temporary fit of hysteria on the part of some members of Congress. This is too serious a matter to pass over lightly. The procedures employed today against the motion picture industry could be applied tomorrow to the press, radio, labor, etc.

The hearings were launched with that touch of showmanship which have made P. T. Barnum and Hollywood both famous and infamous. The largest auditorium in the Capitol outside the House and Senate chambers themselves was reserved for the occasion. Three major radio networks and local stations broadcast the testimony. Six newsreel cameras were poised above the witness table. Batteries of Klieg lights, photofloods dangling from chandeliers, seats for 300 spectators—it was all in that super-colossal style so dear to the hearts of the movie moguls. This was not so much an investigation as it was a publicity stunt.

But the paradoxical point is that this time the tables were turned. It was the dispensers of the Hollywood nightmare who were to be tried—pardon us, we mean "investigated"—for their attempts to turn

that good American institution, as American as Yankee bean soup and hot dogs, the movies, into a weapon of Bolshevism.

The carefully recorded testimony should become the delight of any future historian who attempts to grapple with the subject of public insanity in America. What was Bryan's speech at the Scopes' trial compared to the testimony of the mother of Ginger Rogers, that expert on Communism in the movies, who declared that she and her daughter had turned thumbs down on many a script as un-American, including *Sister Carrie* by one Theodore Dreiser. As proof of the Communistic character of *None But The Lonely Heart,* she cited the son in the script who, in reply to his mother's entreaty to give her a hand in operating a second-hand store, said: "You're not going to get me to work here and squeeze pennies out of little people who are poorer than I am."

Other political experts like Adolph Menjou (who, the press took pains to report, wore a pink shirt, red-dotted tie, striped pants and a pigeon-gray jacket) and a whole galaxy of young stars and not-so-young script writers continued the good fight in similar vein.

The Committee demanded that all witnesses state their affiliation or non-affiliation with the Communist Party. On refusal to do so, ten of them—mostly script writers—were held in contempt. Did the Committee have the right to inquire into political affiliation? We cannot penalize people for merely holding beliefs, however distasteful these beliefs may be to us. This is a principle that lies at the very core of American civil rights. But can we even demand that a person state what his beliefs are? This issue is to be decided in the courts. Whatever the decision, the fact remains that, as the *New York Times* has pointed out, "it is clear that the Committee on Un-American Activities is actually trying certain individuals for alleged subversive and un-American acts without affording them the ordinary rights accorded to the most degraded criminal: namely, the right to cross-examine their accusers and the right to call witnesses on their own behalf." To argue that Congressional committees have done this in other instances or that the investigation is not to be placed in the category of a trial since the Committee is not empowered to inflict penalties is not enough. The procedural shortcomings are self-evident and the Committee is inflicting punishment by striking at the very means of livelihood of the accused.

The criterion as to what is Americanism and what is not that the Committee seems to have adopted is a most dangerous one. They hold in essence that Americanism is equivalent to conformism. By this criterion any element of social protest and criticism against any aspect

of the *status quo* could readily be identified with Communism. Once such standards are openly or covertly adopted, we move dangerously near to the principles of totalitarianism.

We have no sympathy whatsoever with most of the accused script writers. We believe that most of them are thoroughly contemptible human beings who first sold their artistic integrity to the Hollywood magnates and then, by a curious compensatory mechanism, appeased their "social conscience" by flocking to the sympathetic bosom of the Communist Party, that all-understanding and all-forgiving Father Confessor. But the issues are much larger than the fate of John Howard Lawson and Clifford Odets. They are so important in fact that they warrant that all true liberals, laborites and socialists—all those who hold to a brand of genuine liberalism equally far removed from that of Stalin's minions and the Johnston office—stand up and be counted. We must not permit this case to be used by those who take a stand on this issue only because some of their ilk are under attack, but who would remain quite silent if the tables were turned. Those who protested the contemptible apology for the Moscow Trials in the Hollywood version of *Mission to Moscow* should protest with equal vehemance and indignation the Washington version of the Hollywood Trial. The road to Salem leads through Washington *and* through Hollywood.

Victor Serge

The sad news of the death of Victor Serge, struck down by a heart attack while riding in a taxicab in Mexico City, reaches us just as we go to press. The next issue of *Modern Review* (January) will feature an evaluation of the career of this man who was so remarkable in many ways but who, above all, was outstanding for his unswerving integrity.

ADD FINE DISTINCTIONS

In a dispatch from Warsaw dated Nov. 2 and printed by the *New York Times* on Nov. 3, concerning action by the Polish Government in making common regulations for religious sects, reference was made to the Mariavite Sect and concerning it the dispatch stated "which like the 'Old Catholics' does not recognize the authority of the Pope and whose clergy are not obliged to practice chastity." The word "chastity" was wrongly used. In its place should have been used the word "celibacy." For this error the *Times* expresses its regrets.—*New York Times.*

CAN EUROPE RECOVER?

Henry Jacoby

I. THE PRESENT MESS

Is There a Way Back to "Normalcy"?

For some time after VE-Day the notion that the misery in the world was only the "natural" aftermath of war set many people's minds at rest. Now, however, since this misery not only fails to diminish but even mounts, these same people grow uneasy. They expected the world to return to more "normal" economic conditions—"normal" to them meaning that the free movement of goods and capital would be re-established and the world would return to certain traditional patterns. They believed that all talk about trade control, government-to-government credit and relief was only a reflection of a certain "stage of transition."

The present controlled and restricted trade and increasing economic regimentation all over the world that prevents the free flow of goods and capital, however, does not date from this "stage of transition." It is the continuation of a trend which began nearly twenty years ago. When the world market disintegrated in the early 1930's, the present pattern of economic behavior was shaped. After the first World War, U. S. credits helped Europe to recover and to continue the capitalist mode of production. With the coming of the Great Depression, however, U. S. investors recalled the credits. But since at the same time the U. S. raised tariff barriers, the debtor nations were unable to earn the dollars they had to repay. Gold and dollar reserves were transferred from Europe to the United States and the "dollar shortage" began. It was also at that time that governments began to intervene in economic affairs to an extent unknown since the days of mercantilism.

Imports had to be curtailed, currency manipulated, and production regulated. Efforts were directed toward attaining self-sufficiency. Multilateral trade shrank since nations began buying from countries to which they could sell. After two decades of increasing economic regimenta-

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tion and control over trade, these phenomena can no longer be considered transitory—even though many governments continue to "explain" every step toward increased economic control as an "emergency" measure which only "suspends" the free flow of goods and capital.

The war forced all nations to develop economic regimentation on an unprecedent scale, and, outside the United States, the struggle against the increasing post-war difficulties enforces new measures of trade control almost daily.

If today, however, the question "Can Europe recover?" is put to us, we may well inquire whether those measures of economic control and regimentation with which all European nations are attempting to meet the crisis will succeed. If not, how can this goal be reached?

The Deficiency Crisis

Gone are the good old days of the over-production crisis. In the past decade the Keyneses and the Beveridges racked their brains trying to discover ways and means to avoid unemployment in Britain. Today their country is suffering from over-employment. Its manpower is insufficient to produce the badly needed goods.

The main economic topic in Europe today is the "dollar shortage." This fact reflects merely the scarcity of goods. All Europe suffers from a deficiency crisis. The most usual explanation is that the war—its cost and destruction—caused this crisis. This is only a half-truth, for the roots of the crisis go deeper. We have already dealt with the early beginnings of the "dollar shortage." The inability of capitalism to modernize and re-equip industry must also be taken into account. France's productivity in 1929 was 25 percent greater than in 1938. Great Britain's productivity, although it did not actually decline, was scarcely brought to a higher level between the two world wars.[1] Indeed,

[1] With the decline in the functioning of the world market and decrease in the opportunities for conquering new markets, the capitalist world was confronted by excessive productive capacity and excessive savings. In Great Britain not more than three percent of the national income went into new capital investments With increasing accumulation, capital tended—as Marx had predicted—to yield decreasing returns. The marginal efficiency of capital (in Keynes' terminology "the relation between the prospective yield of one more unit of capital of a given type and the cost of producing that unit") fell. The amount of capital needed for any new investment, particularly in the field of production of capital goods, had increased enormously while the chances to find markets of sufficient size had decreased. In small industrialized countries such as Turkey and Poland, in which industrialization had become a national necessity, state ownership had to solve the problems of investment. The great exception (apart from some individual industries) —the capital investment in German industries in the 'twenties—was an American venture and the maintenance of the invested capital required state subsidies (*Sozialisierung der Pleite*).

the coal industry was neglected to such an extent that its decline in output has become one of the most important immediate causes of the British deficiency crisis. True, the size and extent of the crisis are the outgrowth of the war, but not merely of the physical damage resulting from the war. The depth of the crisis cannot be understood unless the following facts are taken into account:

(1) The disappearance of the German state which was the principal market and chief supplier for many European countries.

(2) The further disruption of traditional European economic relations by the East-West division of the Continent.

(3) The loss of income from foreign investments which has occurred in countries depending primarily on imports.

(4) The cumulative effect of the crisis itself, involving the physical and psychological exhaustion of the workers.

A Descending Spiral

The poorer a country becomes, the less *laissez faire* it can afford. With scarcity of goods and diminished purchasing power, imports must be curtailed and priority given to essential commodities. Attempts must be made to produce more at home and to barter available surpluses for needed supplies. All this requires governmental control over economic activity and centralized planning. Marx thought of planning as an economic technique to utilize fully the riches of the world. But this form of planning aims rather at rationing consumption and bringing about other adjustments to poverty. The lack of consumer goods (i.e. of economic incentives for work) becomes, in turn, an additional reason for decreased productivity. It may be doubted, therefore, whether the present economic activity of European governments merits the name of "planning." The measures taken by these governments do not lead toward a freely chosen goal. They are measures taken by governments attempting to escape the consequences of an immediate emergency. Even more far-reaching attempts such as the French Monnet Plan do not attain their goals, since the conditions under which they could be fulfilled are not forthcoming. Indeed, it seems as if all the manipulation of the various European economies are leading them along a descending spiral.

Manipulation of a national economy cannot lead away from the circle in which the conditions, against which all measures are taken, are being constantly re-created. Bilateral trade agreements between European countries are certainly the best way, under present circumstances, to provide markets and supply, but bilateral trade operates in

a restrictive fashion since it tends to limit the purchases of each partner to the value of the smaller demand—although in some cases credits may ease the situation temporarily. It also forces nations to buy where they can sell instead of where the price is cheapest. Moreover, attempts to produce domestically certain goods that were formerly imported often proves costly. To secure a given product or increase its output, a great increase in direct cost may be entailed. Scarce labor and raw material are diverted to produce a given item even though conditions of the country do not permit it to be produced efficiently. Investments are made which are unsound economically even though justified under the conditions of the immediate deficiency crisis. This is particularly true in the realm of food production. Today Britain, for example, seeks to increase its agricultural production regardless of the costs. Extra capital goes into the land. Though this may not be the most economical way of procuring food, it will save dollars.

The dollar shortage, decreased production and the disappearance of food surpluses from Eastern Germany and southeastern Europe is forcing all European countries to embark upon "self-sufficiency" programs. Switzerland, for example, has to produce as much bread grain as possible instead of the more valuable surpluses of livestock products of which it was traditionally a most efficient producer. The programs of agrarian nationalism, which nations have been forced to adopt, in the battle against the food and dollar shortage, increase their food production costs and make them poorer countries.

The Ghost Country

All the existing difficulties are magnified and assume the aspects of a fantastic nightmare if Germany is included in our field of observation—as it must be, for it is impossible to discuss Europe's plight intelligently without taking into consideration the German problem. The impact of the destruction of Germany's economy cannot be exaggerated. Before the war, Germany was the main supplier of manufactured goods for the Continent. No amount of national planning can make up for the loss of this source of supply. All over Europe valuable machinery (especially agricultural machinery) is rendered useless because spare parts from Germany are not available. Nothing that is happening in, or being planned for, Western Germany promises to relieve this situation in the near future.

The feeble efforts of German industry (and this also applies more or less to Italy and other areas) are directed toward revival of the

production of luxury and semi-luxury goods which can attract U. S. dollars.

The coal shortage has proved to be the foremost factor in blocking Europe's economic recovery, but the fact that the coal output of the Ruhr is little more than half what it was prior to the war is only a part of the story. The present sorry state of inter-European economic relations is responsible for uneconomic utilization of the decreased output and also prevents the development of pre-conditions for increased production. Ten thousand tons of coal are wasted annually because U. S. shipments to Germany are made only through German ports, though Dutch and Belgian ports are much nearer to parts of Germany than its own ports and provide water instead of rail transport for transshipment to the German interior. It is the "currency problem" which prevents use of these non-German ports.

To cite another example: because of the currency situation, railway traffic from Switzerland to Czechoslovakia is cheaper via Austria even though the distance is much shorter via southern Germany. The "currency problem" also forces German steel production—small as it is—to use German instead of Swedish iron ore. Swedish ore has an iron content of 65 percent; German ore 25 percent. The use of Swedish ore would save more than a ton of coal for each two tons of steel produced. While in this autarchic process coal is wasted, Sweden, suffering from a fuel shortage, burns up its valuable timber which is sorely needed throughout Europe and particularly in the mining industry. Also while German miners produce less coal because they lack food, the Danes produce less food surpluses because 50,000 Danish workers needed in agriculture are busy cutting peat, an extremely inefficient substitute for coal.

Thus each nation wastes labor and materials in wrestling with problems which cannot possibly be solved on a national level.

II. THE POSSIBLE SOLUTION

Facts We Have to Face

The attempts of European nations to overcome the disparity between their needs and their purchasing power by extending government control over a wide field of economic activities have not succeeded. Autarchic measures and bilateral action in the field of economic control increase the difficulties in other countries. Bilateral trade has restrictive effects, preventing A from buying more from B than B buys from A. Only those who refuse to face the facts of economic life (Mr. Russell

Porter of the *New York Times* is a prime example) can maintain that government interference in economic affairs is the cause of the low standard of living in Europe.

Abandonment of this interference would create complete chaos. No country can survive without establishing priorities in trade and production. Most misery prevails in those countries whose governments are unable to enforce these priorities sufficiently. Indeed, it is the co-existence of "free enterprise" within the framework of partially regimented economies that aggravates the plight of the European nations. Under the profit motive, the most profitable—not the most essential—goods are imported and produced. Free enterprise in Europe produces ladies' handbags rather than shoes, lipsticks rather than soap.

While there is no doubt that failure to take advantage of the international division of labor (i.e. of the specialized skills and resources of the nations) impoverishes Europe, there is no road back to the kind of free multilateral trade that existed prior to 1929. Who would take the first step? Each country is defending itself against the outside world by its control of trade. Moreover, the old pattern of trade cannot be resumed, because the structure of the world has changed. The heaviest importer (Great Britain) can no longer pay for its import surplus with income from foreign investments. The food-surplus regions of Eastern Europe are isolated from the West by the present political situation which will scarcely change in the near future. Asia is in full transition.

The U. S. has become the chief supplier of all goods—food, raw materials including coal, and manufactured products—to Western Europe. It not only does not need the potential surpluses from this region but also is a competitor superior to Europe in the world market. The statement of the 16 nations that are willing to accept American credits if they are forthcoming under the Marshall Plan declares: "The maladjustment can never be corrected on a basis of expanding trade unless market conditions on the American Continent permit Europe to sell goods there in steadily increasing quantities. . . ."

If this passage of the Paris document refers to the U. S., it is illusionary. It has been repeated again and again that the U. S. must buy from Europe if it wants to sell to Europe. But this is a moral demand and pious wish which will not find fulfillment. The 16-nation document was able to mention only a single "commodity" which could supply Europe with some dollar income: *tourism*. True, there are some luxury goods such as French wines and perfumes which Europe can sell to the U. S., but not much else. There is no reason to assume that this country will cut down its production in order to give Europe a chance to

export. The London *Economist* stated correctly in a recent issue that there is not one item among Britain's leading products for which American demand is predominant.

If, however, the authors of the 16-nation report had South America primarily in mind when they referred to the "American Continent," they were facing in the right direction. The Western Europe and South American economies could well supplement each other. But it must be noted that the U. S. has strengthened its economic position in relation to South America while Europe's position has weakened. Whether or not Europe can regain the lost ground at this date is doubtful, but detailed discussion of the point is beyond the scope of this article. It is certainly correct, however, that the present maladjustment of the European economy can be corrected only through expansion of Europe's trade. Western European autarchy offers no solution. Multilateral world trade is necessary but—particularly in view of the role of the U. S. in world economy—it must be *organized* multilateral trade. Only through organization of world trade can supply and demand be balanced on an expanding scale.

Europe's first concern, however, is to put an end to the descending spiral and to reorganize its productivity. It must be able to produce export surpluses and produce them efficiently before it can attempt to reorganize its economic relationships overseas. At the moment Europe is forced to import vital goods from the U. S. which it formerly produced itself and which it can produce efficiently again.

Does the 16-nation document point the way toward Western European recovery? Does it pave the way for a final solution of the European dilemma? This can scarcely be claimed for it. The enumeration of the needs of 16 countries is no solution. Credits to cover these needs might become the basis for a solution, but in themselves solve nothing. Also the chances are not too good that all the billions asked for in Paris will be granted by Congress and lesser sums will, at best, serve as a stop-gap merely postponing a complete collapse.

The first conference on European problems, however, may provoke further conferences which, under pressure of a desperate situation, will go farther than the initial one.

A Customs Union Is No Solution

The Paris conference made a few feeble moves toward a program of European economic cooperation. The announced intention to study the possibility of a customs union has been mentioned. The idea of an European customs union has become popular as a constructive idea.

Twenty years ago it might have offered a solution. Today it is a case of too little too late. Within Europe, tariffs are of minor importance and concern budgets more than trade. The various measures of trade control have supplanted tariffs as a means of protecting national economies. A customs union, without solution of the price and currency problems among the partners, will produce chaos rather than increase production.

The descending spiral of the European deficiency crisis can be halted only by an integrated European economy. This requires limitation of the sovereignty of the participating nations. Instead of powerless conferences, establishment of a planning committee is necessary. This committee must have the power to distribute available raw materials and coal according to production goals and agreed investments. The committee would need an European purchasing mission to employ available purchasing power more efficiently than it can be utilized by any single nation. (In both world wars the western Allies proved the effectiveness of such a purchasing mission which avoids competition in the purchase of much needed but scarce goods.) The creation of a bank, acting as a clearing house for commodity exchange is an immediate necessity and creation of a common currency would be the long run task of such a bank. Some key industries, such as coal and steel, would probably have to be incorporated in an European Public Corporation.

The few valuable proposals of the 16-nation document such as common planning of the exploitation of new sources of electric power and standardization of certain types of equipment can scarcely be carried through until an overall system of economic cooperation is developed.

What is most important is that Europe be enabled to produce and distribute with maximum efficiency, i.e. to consume the smallest possible quantities of raw material, coal and manpower in relation to output. This can be accomplished only through mass production in an economic unit which includes at least the heart of industrial Europe. Only if duplications in investment are avoided and all investment is geared to the consumption and overseas export needs of a large part of the Continent organized as an economic unit, can Europe recover. Such issues as whether steel is to be produced in France or Germany are completely irrational.[2] The rational question is: how much steel does

[2] The critical reader may object that such an issue, though economically irrational, may make sense from the viewpoint of French or German politics. Then the question arises whether the economic or political view should dominate. Yet social

Europe need and where can it best be produced in order to use to the full existing capacities and save as much coal, manpower and transportation as possible?

The European deficiency crisis is deepened continuously by waste of economic resources. The crisis cannot be overcome as long as these resources are not organized and used in a superior way. This cannot be accomplished within the limits of any European nation. U. S. credits can greatly facilitate the development of an integrated economic area in Europe, but lacking a program of inner-European cooperation they will accomplish little.

The creation of an integrated economic area in Europe—if attempted—will be a difficult task. To mention only a few difficulties: the productivity of labor and the standard of living vary from country to country. Some countries have an orderly administration; in others the apparatus is rotten. Many more difficulties exist, but the moral and psychological impetus which would be gained from a radical attempt to break through the present crisis—which is moral as well as economic—would be an incalculable asset for European recovery.

III. POLITICAL HURDLES

In the last analysis, solution of Europe's economic crisis depends upon political decisions.

(1) Without a complete change of the occupation policy in Germany (certainly in Western Germany) not even a limited attack on the European deficiency crisis is possible. The resources of Western Germany must be mobilized. It is outrageous folly to ship nitrogen fertilizer from the U. S. to Europe while nitrogen plants in Germany either deteriorate in enforced idleness or are dismantled. The whole business of dismantling German factories is irrational. It not only prevents the production of needed goods, but has proved to be a costly enterprise consuming great quantities of scarce materials and manpower. The packing and transfer of 100,000 tons of machinery requires 80,000 cubic feet of lumber, 80 tons of paper, 70 tons of paint, 3,000

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life is an entity; and, although this article deals primarily with the economic side of the problem, the author realizes that politics and economics cannot be separated. It is rational to rid ourselves of blind traditionalism and adjust our thought and way of life to the ever-developing sphere of experience. The rational attitude is linked to a sense of creative evolution. Today in Europe, any attempt to advance the welfare of one nation at the expense of others will weaken the nation it is planned to strengthen, for all European nations can survive only through integration into a superior unit. This is not merely an economic question but also a political, moral and cultural necessity as well. Resistance to this new reality—even if performed in the name of *realpolitik*—can only be considered irrational.

tons of steel and wire, besides all the manpower and tieing up of transportation facilities involved.

(2) The economic problems of Europe cannot be solved so long as some European governments continue to waste a considerable part of their national income on military adventures in Asia. These governments not only levy exorbitant taxes on the limited means of their countries but also destroy chances for early resumption of economic relations between Europe and the surplus-producing parts of Asia.

(3) With most of the governments in Europe following the road of narrow nationalism and some of them engaged in wasteful military enterprises, a new course can scarcely be expected without strong pressure of public opinion. Indeed, European recovery will lag without the driving force of a strong political trend among the peoples themselves. There are signs that many Europeans understand that no single nation can work its way alone out of the present mess, but the development of an effective political movement for European cooperation is greatly hindered by the Communist parties, which seek to revive the most backward form of nationalism in order to prevent the formation of a strong European unit outside the Russian zone of influence.

(4) A danger exists that U. S. credits may be granted in a form and under conditions which will destroy rather than improve Europe's chances of recovery. The Communist leaders in Europe are denouncing American aid as a means of bringing Europe to heel by American Big Business. They have succeeded in arousing a great deal of suspicion. European are watching every American move to learn America's true intentions.

The Marshall Plan is obviously a strategic move. The breakdown of Western Europe would give Russia an opportunity to extend its power to the Atlantic. General Marshall thinks it is worthwhile to spend money (American goods) to prevent such a development. This negative goal can well be accepted in Europe and a certain conformity of interests exist. Yet Mr. Stassen blurted out what is apparently in the mind of many U. S. politicians when he said that Europe should receive American goods only if it is willing to accept unrestricted "free enterprise" also.

Any attempt of the U. S., however, to enforce freedom for the profit motive in Europe would not only further disrupt the European economies, but also strengthen the Communists and in the end probably provoke civil war. In the course of such a struggle, Europe would become nothing but a devastated battlefield for ambitious political generals in the pay of the Big Powers.

ECONOMICS OF THE MARSHALL PLAN

Alfred Braunthal

To appraise the impact of the Marshall Plan on the economy of this country, it should be kept in mind that this plan is only a new phase of an American policy of aid to foreign countries which began with Roosevelt's program of lend-lease. The idea of considering the economic resources of all the allies united in common defense against the totalitarian aggressor as a joint pool from which each of the allied countries had the right to draw was a master stroke.

In view of the unprecedented devastations, destructions, economic dislocations and severe deficiencies in productive resources of which the war-ravaged countries have been suffering since the war and from which they cannot recover through their own resources alone, it would have been but logical, rather than abruptly terminating lend-lease, to retain the lend-lease policy in principle and to transform it step by step into a combined gift and credit scheme for selected purposes to selected countries. The guiding principle of selection should obviously have been the same as that which underlies the Marshall Plan: systematically planned assistance designed to aid the physical survival and economic reconstruction of the democratic countries and that part of the world which is open to their influence.

It was extremely unfortunate that the lend-lease policy was terminated immediately after the war, without any systematic attempt being made to initiate a new system of adequate aid to foreign countries. Not only did the abrupt liquidation of the lend-lease scheme create among the democratic nations of Europe a feeling that they were being deserted by their strongest ally, in this country itself the sudden abandonment of lend-lease strengthened the penchant towards a "return-to-normalcy" policy and psychologically undermined the system of governmental controls over the economy.

After Lend-Lease

Actually the termination of lend-lease did not mean the end of foreign aid. The two-year period between the end of lend-lease and

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the announcement of the Marshall Plan was not an empty interstice, but a period of unplanned aid to foreign countries. In that period came the huge expenditures within the framework of UNRRA, the post-UNRRA relief measures, the billions of credits to Great Britain, France, and other countries, the continuous subsidies to the American Zone of Germany, etc. Altogether, according to the recent report of the Council of Economic Advisers entitled *The Impact of Foreign Aid Upon the Domestic Economy*, governmental aid to foreign countries in the second half of 1945 amounted to $2,954 million, or an annual rate of $5,908 million; in 1946 to $5,354 million; and in the first three quarters of 1947 to $5,077 or an annual rate of $6,768 million. In addition, the United States invested $3,386 million in the International Bank and in the International Monetary Fund, which in practice will also assume the character of aid to foreign countries.

If the fact is taken into account that the purchasing power of the dollar in the interim period between the end of the war and the Marshall Plan period was substantially higher than it is today, it becomes obvious that the physical volume of the annual rate of aid to all foreign countries prior to the Marshall Plan was substantially higher than the average annual rate of $3,340 million which the sixteen European nations participating in the Marshall Plan requested for the next four years. Even the additional amounts which the United States will have to expend for aid to the occupied countries, China, and other areas will hardly be so large that the physical volume of the total expense for foreign aid averaged over the next four years will exceed that of the interim period after the war.

It is not from any quantitative point of view, therefore, that the Marshall Plan constitutes a new phase in our foreign aid policy. The new departure consists of the substitution, for a sporadic and unconstructive subsidy policy, of a genuinely constructive and productive idea: i.e., that American aid can actually be fruitful and productive only if it constitutes an essential part of a joint economic reconstruction program of all democratic nations of Europe.

Nothing better exemplifies America's coming of age in respect to world policy than the fact that the Marshall Plan has found virtually unanimous acceptance in this country. Lend-lease was accepted by the American people because it was generally realized that effective defense against fascist totalitarianism required unity. The Marshall Plan has received enthusiastic reception because the American people realize that the struggle of survival, economic and political reconstruction and recovery of the democratic countries of Europe constitutes

also a war of defense in which there is unity of purpose between us and them and which, therefore, also requires unity. There will still be a lot of wrangling in Congress about the exact amount of Marshall aid, the conditions under which it is to be given, its administration both in this country and abroad, etc., but there is no isolationist opposition to speak of to its principle. It is not isolationism that now rears its ugly head, but its bed-fellow of pre-June 1941 days, Communism. But the Communists have maneuvered themselves into splendid isolation. Even many of their fellow-travellers, conscious of their liberal and internationally-minded past, have felt constrained to let them travel this oddest part of their tortuous road alone.

Economic Understanding Needed

However, the general understanding and acceptance of the principles of the Marshall Plan would mean very little if not accompanied by a broad understanding and acceptance of its economic implications. It is here that the danger of a lag arises—a lag which might prove perilous not only for the success of the plan itself, but for the hope, underlying it, to establish, at long last, political and economic stability and progress throughout the democratic world.

To illustrate what we mean by the dangers of a lag in economic understanding, we shall make a crass supposition. Suppose after Pearl Harbor Congress had refused to adopt legislation by which the production of all durable goods for civilian purposes—from automobiles and residential buildings to vacuum cleaners, radios and irons—could have been halted; all raw materials allocated, consumer goods rationed and prices controlled by the government. There cannot be the slightest doubt that such a policy would have resulted in disaster for this country and the world as a whole. American industry would never have been able to accomplish the miracle of war production which swamped the enemies with planes and bombs, tanks and guns, and the war would have been lost. It was not as a result of the formal declaration of war by Congress that the war was eventually won, but as a result of the understanding of the necessity for fighting the enemy with the weapon of a strictly planned economy.

This reasoning may be subject to the objection that the dimensions of war expenditures were so completely different from those of the Marshall Plan and other aid programs that the economic implications are also bound to differ radically. This objection holds true only to the extent that the burden imposed upon this country by foreign aid and national defense is not so heavy as to require the same

kind of all-out planning, rationing and governmental controls over the economy which were necessary during the war. On the other hand, this burden is so heavy that it lends to the present American economy an intermediary character between a war and peace economy to which an intermediary system of governmental controls should be devised to correspond.

This can be shown by a comparison between the burden which war imposed upon the economy and the present burden. In the three war years, 1942 to 1944, American war expenditures, inclusive of lend-lease, were at an annual rate of $72.3 billion on the average, or 38.6 percent of the gross national product, whose annual rate averaged $187.6 billion in the three years. The costs of the Marshall Plan and of other aid to foreign countries in the first year of the plan, in which the expenditures are supposed to be higher than in the following years, will be in the neighborhood of $8 billion. If national defense expenditures be added, which in the first three-quarters of this year were at an annual rate of $18 billion, total expenditures for national defense and foreign aid will be as high as 11 percent of the gross national product, which in the first three quarters of 1947 had climbed to an annual rate of $232 billion.[1]

There may be another objection to the assertion that the Marshall Plan requires some kind of economic planning. It may be argued that since the Marshall Plan does not impose an additional burden on the American economy but only the continuation of an existing burden, there is no reason to change the economic policy of this country. Against this argument it can be maintained that even the continuation of an already existing burden for any considerable length of time can be carried without serious friction only if the economy has adjusted itself to the existing burden.

Such an adjustment would have been comparatively easy if business conditions were what once was considered "normal" for a capitalist economy; that is, a situation in which there are ample unused capacities: unemployed workers, idle equipment for the production of raw materials, machines, and other essential goods, as well as unexploited or little exploited land and agricultural equipment. In such a situation, even an excess of exports over imports (including services) of $13 billion, which was the annual rate of the excess in the second quarter of this year, or 5½ percent of the gross national product, might be

[1] All figures in this paragraph, with the exception of the estimate of $8 billion foreign aid in 1948, are compiled from the report of the Council of Economic Advisers.

absorbed without any considerable friction or inflation. The goods needed by foreign countries in excess of their own exports to this country could be produced by employing unemployed workers, by producing materials through the use of unused capacities of the steel, machine, locomotive works, etc., and by producing foodstuffs through the exploitation of unexploited land.

The present economic situation differs in all essential features from one in which excess demand from foreign countries can be met without considerable friction. Business conditions today are characterized by a chronic excess of demand over supply in all key industries, by a lack of unused capacities, and by a lack of manpower.

After a total war of three and one-half years during which no dwellings were constructed, no automobiles and machines nor other durable goods for civilian use produced, but during which most of the purchasing power that customarily goes into these products was accumulated in form of liquid savings, a situation was bound to arise in which the pent-up demand for these products was made effective by using up part of the accumulated savings while the supply of these goods was narrowly limited by the existing capacities of productive equipment and manpower. The huge excess of exports over imports resulting from our foreign aid programs and the high expenditures for national defense have been added to the excess of domestic civilian demand over supply.

In such a situation the balance between demand and supply cannot be restored (except in an extremely limited sense) by an adjustment of supply to demand, that is, by scaling up production, but must be restored chiefly by scaling down demand. Part of the potentially effective demand must be made ineffective. To achieve this goal, only two ways are open. Either part of the demand is made ineffective by such compulsory measures as taxes, rationing, allocation, conservation measures, including voluntary actions of similar kind, or by price increases which automatically exclude the marginal demand from the markets.

NAM Meddling

It was the inexcusable ignorance or demagoguery of the National Association of Manufacturers which persuaded a large section of the public last year that if government controls were dropped, production would be given an incentive and could be stepped up to such an extent that the equilibrium between demand and supply could be restored without further inflation. This argument was completely erroneous

since there were no unused capacities for stepping up production to any substantial degree. Although the full-employment goal of sixty million employed persons has already been reached, although the production of such basic materials as steel, coal, oil is at record levels for a peacetime economy,[2] still the automobile industry is unable to produce more than approximately 5 million cars a year, against the prewar maximum of 5.4 million reached in 1929 and the post-depression maximum of 4.8 million reached in 1941. The construction of residential buildings in 1947 will hardly exceed 800,000 permanent dwellings, against the maximum of 937,000 units in 1925 and the post-depression maximum of 715,000 units in 1941.

If these production figures are compared with the gigantic pent-up demand for durable goods and if the tremendous increase in the demand for foodstuffs, resulting from a considerable increase in domestic per-capita food consumption and from the emergency demand from abroad, is added, as well as the expenditures for national defense, it becomes crystal-clear that, for lack of virtually any rationing, price control and tax measures, the balance between demand and supply cannot be restored other than by a steady rise in the price level.

This rise in price level is exactly what has occurred, in spite of the spurious promises of the National Association of Manufacturers. The index of wholesale prices, which in the six-year period from 1939 through 1945 until the end of the rationing period had increased only 39 percent, rose in less than two years, from January 1946 to October 1947, a further 48 percent; the total advance is more than 105 percent since 1939, with farm products leading the parade with a price level nearly three times that of 1939.

The crude method of adjusting demand to supply by inflation is socially the most undesirable and most inequitable rationing system that can be imagined. The short supply of houses and automobiles has not been distributed among those most in need of them, but rather among those who can afford fancy prices. As food production could not be sufficiently expanded to meet the combined domestic and foreign demand, domestic food consumption has had to be restricted. But with skyrocketing food prices, it is the low income groups who bear the brunt of this restriction.

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[2] The production of steel (rolled steel products) in the first half of this year was at an annual rate of 62.3 million short tons (against 35 million in 1939 and 46 million in 1929), that of bituminous coal at an annual rate of 624 million short tons (against 395 million in 1939 and 535 in 1929), and that of crude petroleum at an annual rate of 1,780 million barrels (against 1,265 million in 1939 and 1,007 million in 1929).

Economic Stability Threatened

In addition, a steady and progressive rise in the price level entails grave perils for the stability of the American economy and for that of the democratic countries of Europe, which depend on a smooth functioning of the American economy. Time and again allusions have been made in the Soviet press to the effect that the Soviet government pins its hopes for a radical change in the equilibrium of world forces on the time when a business crash will occur in the United States. If such a hope has foundation it will be enormously strengthened by continuation of the process of inflation which is now going on.

Yet it has been shown above that the impact of the Marshall Plan, as well of the unavoidably large military expenditures, is bound to exert an incessant upward pressure on the entire price level unless effective measures be applied to substitute other, more rational methods of pressure on the excess of demand over supply. The Krug, Harriman and Herter reports have rightly laid great emphasis on the impact of the Marshall Plan on various bottleneck industries, such as farm products, steel, various machines, electrical and railroad equipment, fertilizers and coal. These are the immediate pressure points upon which the effects of foreign demand will be felt most sharply. But the pressure will make itself felt, regardless of the degree of concentration of the foreign demand on particular industries, and will result in a progressive rise in the general price level in any event unless inflation is checked by governmental measures.

The emphasis which the official reports place on the impact of the Marshall Plan on the bottleneck industries is also warranted from another point of view. In a situation in which the general price level moves upward, without any concentration on bottleneck industries, the excess of demand over supply can be drained off by an increase in taxes, provided that the tax increases hit those who exert the excessive demand, and provided further that the tax increases become effective without undue lag. But if the disequilibrium between demand and supply is concentrated on a few bottleneck industries, even a general tax increase may not suffice to remedy this unbalance completely. Rationing or allocations in the bottleneck industries may be required in addition in order to restore the disturbed equilibrium.

This does not mean that tax increases would not be highly desirable in the present situation. They would greatly contribute to draining off excess demand and thus facilitate the restoration of equilibrium between demand and supply. A certain tax increase has already become

effective without any formal law. In many instances in which tax rates are geared to dollars and cents rather than to percentages, increases have resulted from the inflationary rise in money income. The adjustment of incomes to increased living costs frequently brings additional money income into the next higher income tax bracket with higher percentage tax rates. Moreover, the shrinkage of the purchasing power of the personal income tax exemption of $500 per year for each family member also amounts to a tax increase. This hits the low income groups particularly hard, however, and thus is of a damaging social character.

Nevertheless all these hidden tax increases are insufficient, as the progress of inflation proves. More radical tax measures are necessary if inflation is to be curbed by fiscal means.

President Truman's Program

Yet even with tax increases, the bottlenecks in agriculture and industry would still need to be attacked with specific allocation or rationing measures. A beginning has been made by the praiseworthy actions of the Luckman Committee. The program outlined by President Truman in his recent message to Congress, which as a last resort includes selective rationing, allocations and price controls, marks the most important step so far taken in implementing the Marshall Plan. Only if Congress follows the President along this road, will this country be able to carry out the Marshall Plan and all other national and international obligations for the defense and reconstruction of the democratic sector of the world and at the same time preserve the stability of the American economy.

The American people proved in the hour of greatest national emergency that it is able and willing if need be to alter its cherished tradition of individual economic freedom. The restrictions on this freedom during the war were extremely severe, but were not violated to any greater extent than in other democratic countries where it is not customary to shoot people who cater to the black market. The education in world policy which the American nation has been receiving in the last eight years has been thorough and highly successful. It justifies the hope that, inspite of the political composition of the present Congress, the education in elementary economics which is needed for making the best use of this understanding of world policy will also show marked progress in the era of the Marshall Plan.

U. S. LABOR AND THE MARSHALL PLAN

Fritz Baade

The American Federation of Labor at its recent San Francisco convention adopted a clear and energetic resolution in favor of the Marshall Plan. The convention was certainly conscious of the fact that help for Europe on such a vast scale would impose sacrifices in all layers of American society, including labor. In order to obviate the danger that such sacrifices will fall with unequal weight on various strata of the population and in order to see to it that those who are economically the strongest will not bear the lightest burden, the convention demanded that "every type of voluntary action and, if necessary, Government controls" be used "to check speculation and inflation if voluntary regulations failed or if serious shortages should develop in grain or other commodity markets."

American aid to Europe consists of heavy (for the time being unpaid) deliveries of fuel, fertilizer, food, steel and machinery. It is possible that because of the magnitude of these shipments, there might be unfavorable repercussions on the standard of living or state of employment of American workers. But there is no single category in which the bottle-neck that may develop is likely to have as serious repercussions as in the field of food. The following, therefore, is intended to give as clearly as possible an estimate of the effect that the food deliveries, embodied in the Marshall Plan, will have on the U. S. food economy and to appraise the measures that should be taken to safeguard the living standards of American workers.

The first question to be answered in this respect is: What is the magnitude of Europe's food deficit west of the Iron Curtain and how long will this deficit last?

Man-Made Deficits

When one reads in the newspapers again and again that the hard winter of 1946-7 destroyed seed grain over vast regions of Europe and than then a drought—unequaled in the last 50 years—further deci-

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mated the harvest, one is likely to conclude that Europe's food deficit is due to bad weather and consequently is a short-term affair. This is a dangerous illusion. The facts are that the main causes for Europe's hunger does not stem from the weather but are man-made. The harvest of 1946 was favored in Western Europe by exceptionally good weather. Yet millions suffered from severe hunger in Western Europe in 1946-7 and would have died had it not been for delivery of approximately 10 million tons of food from the U. S.—mainly without payment. The nutrition balance of Western Europe today (as compared with pre-war) suffers from an initial deficit of about 20 million tons of food.[1] This deficit is expressed in the following entries:

(1) Six to eight million tons were the normal deliveries of the now Russian-controlled Eastern European countries.

(2) Four million tons is the cost of even the elementary feeding of the approximately 10 million refugees who have been forced by mass expulsions from their homes in the East into the Western zone.

(3) Ten million tons is the difference between the 1946 harvest (though this harvest was favored by weather conditions) and a normal harvest because the necessary fertilizer was not available to the farmers.

These three man-made deficit factors are by no means short-term ones. There is no hope for an early return of the refugees. Eastern European agrarian production will long remain below normal because of the unplanned and hasty destruction of all large-scale farm units, the depopulation of vast stretches of land (especially east of the Oder-Neisse line and in Sudetenland) and because of the various Bolshevik agrarian experiments. The destruction of European fertilizer production (dismantling of plants in this field has now been stopped) can be made good only through a construction program that will stretch over several years. It can be said that half of the 20 million deficit will be eliminated during the next five years, while the remaining half will remain for a longer period.

Making the Marshall Plan Work

Though American food deliveries have reached huge figures, they yet sufficed to cover only part of the deficit. The greatest discrepancy between the deficit and deliveries received exists in Western Germany. The deficit in the food balance of Western Germany, occasioned by the

[1] Since giving the mere weight of food, regardless of its nutritive value, is meaningless, this and all such further use of tonnage figures in this article are expressed in what is known as "grain value." This means that all foods, whatever they may be, are reduced to their grain equivalent.

three factors mentioned above, amounted to 12 million tons, or 2,000 calories daily per head of the urban population. English and American deliveries, amounting to about 3 million tons in 1946-47, covered only about one-fourth the deficit.

The Marshall Plan can function satisfactorily only if hunger in Europe is fought much more effectively than heretofore. The fundamental idea behind the Marshall Plan is helping Europe to help herself. The revival of industry in Western Germany, especially of coal, steel and machine industries in the Ruhr, is recognized as the most effective lever for saving the other European countries and for decreasing their dependence on American deliveries. This is a most excellent idea and corresponds completely to the normal functioning of the Western European economy. But in order to start this most important mechanism, it is necessary to begin with the decisive factor: the reconstitution of the productivity of the workers.

The recently published report of Louis H. Brown states that even with the presently delivered amounts of American grain, the German worker in the Western zone still gets only the diet of a Far-Eastern coolie. This coolie diet, which consists almost exclusively of carbonhydrates (i.e. dry bread and potatoes), and which fails to provide even the physiological minimum amounts of meat and fats, will necessarily mean, according to the Brown report, reduction of the productivity of the German worker to the coolie level, i.e. to about 50 percent of the average productivity of a normal white worker. Neither the economic goal of the Marshall Plan nor the political goal of the San Francisco resolution of the AFL (which rightly insists upon "the maintenance of a free, healthy, democratic and independent Germany, first of all Free Trade Unions in Germany, as a key to prevention of World War III") can be attained with such lowered productivity due to undernourishment.

We are thus forced to conclude that the abnormal food deficit of Western Europe will continue for a number of years. Also, that in order to reach the economic and political goals of the Marshall Plan, it will be necessary to ship, in addition to the normal import needs of Western Europe (which amounted to about 8 million tons), at least 12 (15 would be better) million tons of food to Europe.

It is impossible to give here a detailed analysis of the world's food economy. It may suffice to state that under the best of conditions countries like Argentina, Australia and Canada could cover the normal Western Europe deficit, but the added abnormal need can be met practically by one country only—the United States.

Dependence on the Harvest

To make such a quantity of food available over a period of years is no small problem—even for the U. S. It is true that it has succeeded during the last two years in shipping heretofore unheard of amounts of foodstuffs overseas while at the same time also reaching a record high in domestic consumption. But this was possible only because of a succession of record harvests. All harvests from 1941 to 1946 exceeded by 35 million tons (grain value) the normal pre-war yields. Even 1947, the seventh of this series of fat years, exceeded pre-war harvests by 30 million tons despite failure of the corn crop. About half of this additional yield has been exported in recent years while the remaining half went into animal feeding, thus making possible an increase of meat consumption in the U. S. from 125 pounds per head annually in pre-war years to about 155 pounds per head in 1946.

Even the small reduction in the 1947 returns, however, indicates that the U. S. will not be able to continue to maintain exports at the required level and simultaneously enjoy such high meat consumption. Unfortunately it is also rather improbable that the exceptional rainfalls which have occurred in the semi-arid Great Plains over the last few years will continue. Reserve stocks of grain, which in 1945 reached the highest point in human history, are exhausted. The well-known trade journal *Broomhall's Corn Trade News* in August 1947 summed up its opinion on the world food situation as follows:

> "The world cannot go on living from hand to mouth, depending on good harvests in the United States. America has had an exceptional run of harvests which cannot last forever—the drought damage to this season's corn crop may, indeed, mark a turn in the wheel of fortune."

The only large reserve that exists in the world's food economy outside Russia consists of animal feed in the U. S. The following table shows the total American grain crop this year and how it would be used normally:

Use	*Tons*
Animal feed	110,000,000
Human feed	22,000,000
Exports	14,000,000
Seed	6,600,000
Industry	3,000,000
TOTAL	155,600,000

In view of these figures it would seem that the problem of finding the necessary grain for the Marshall Plan would be easy to solve. Of the total grain crop of 155,600,000 tons, 110 million tons (i.e. more than five times the amount used for direct human consumption) would normally be used for animal feed in 1948. Since a bushel of grain (100,000 calories) fed to cattle produces only 8 pounds of beef (8,000 calories), 92 percent of the original calories are lost in the process. Even if the grain is fed to hogs, 75 percent of the original caloric content is lost. A reduction in grain feeding, therefore, would appear easily to free the amount of grain which the U. S. must ship to Europe, if it does not want to hand the Continent over to Bolshevism without a struggle. And indeed, given harvests similar to that of 1947, it would be easy to attain the required grain exports through a modest decrease in animal feeding and thus through a very small decrease of meat production and consumption.

But the picture changes somewhat if we recall that the European deficit will continue to exist for years and that it is highly probably that U. S. harvests during this period will at times fall much below the 1947 level. The men of Moscow wage their cold war for Europe with most ruthless logic and with long-term perspectives. The U. S. would lose the struggle for Western Civilization and for freedom from the outset if she operated on the basis of short-term calculations in respect to a question that is most crucial for the issue of this struggle. The U. S. can hope to avoid defeat by Russia, which utilizes the weapon of hunger, only if she takes into account now the possibility of poor harvests and plans animal feeding and animal production in advance, allowing for such a contingency. This means concretely that a much greater reduction in meat consumption than heretofore contemplated must be considered.

In the case even of only moderately bad harvests in 1948 or 1949, the amount of grain that will be necessary within the framework of the Marshall Plan can be made available only if all animal feeding of wheat is stopped and some 100 million bushels of corn are set aside for export. A decrease of animal feeding of at least 500 million bushels as compared to 1947-48 may easily become necessary. This means that U. S. meat consumption would have to be cut about 30 pounds per head of population.

If all layers of the population were made to bear this reduction of meat consumption equally, the physiological repercussions would in no way be catastrophic. The weekly meat consumption per head would thereby be reduced from the 3 pounds of last year to 2¼ pounds. This

would still be about the same amount as our people consumed before the outbreak of World War II and almost double British consumption.

Distribution of the Burden

But the picture alters radically if distribution of this lowered meat consumption is considered. It is obvious that such a reduction cannot be achieved through voluntary rationing. There remains, therefore, but two possibilities: either government control with enforced rationing or the balancing of offer and demand through the price mechanism.

Such a free play of market forces would mean that meat prices for the total population must increase to a greater degree than purchasing power, especially wages. A number of labor organizations would attempt to escape reduction of their purchasing power and enforced reduction of their meat consumption through wage demands backed, if necessary, by strike action. Such action could be successful in the case of those sections of the labor movement which are able to exercise most pressure, but such successes could be attained only at the expense of less privileged sectors. Any attempt to deny these consequences is nothing but a fight against elementary mathematics.

In order to hold the repercussions of the Marshall Plan on the standard of living of American workers within bearable limits and to distribute the burden as equally as possible with the greater weight falling on stronger shoulders, it will scarcely be possible to avoid rationing. Rationing will become absolutely unavoidable if one of the coming harvests results in an appreciably lower yield than that of 1947 without European returns having increased considerably in the meantime.

It would be good politics to envisage the possibility of such reduced harvests now and to scale down the animal population, particularly hogs, chickens and turkeys. A reduction of the average slaughter weight would also be in order. Such measures could end the present precarious "hand to mouth" conditions, and we would emerge with at least some reserves in the coming year.

Rationing alone, however, cannot solve the problem, especially not in a fashion that will prove bearable to American workers and the American people. Since the European deficit is now beginning to be the silent guest at the dinner table of every American family, all efforts must be taken to reduce it as rapidly as possible. Measures to aid quick reconstruction and recovery of European fertilizer production plus measures to avoid any waste in production and distribution of food, both in the U. S. and overseas, are the most important means to safeguard the meat ration of American workers.

THE MARSHALL PLAN— MYTH AND REALITY

Didier L. Limon

The number of people who believe in the impossibility of European recovery on a national scale is growing steadily. This includes those Socialists who, refusing to accept the totalitarian solution, believe they are being "realistic" in supporting the Marshall Plan. According to them it is to the interest of the United States to champion European economic unity in order both to stop Stalino-Communist expansion and to support American capitalism; and such unity would be "progressive" if it were realized by non-totalitarian means. It is our purpose to determine whether the famous Marshall Plan, in its concrete manifestations in the United States as well as in Europe, corresponds to the picture painted by some of our Socialist comrades.

A Little Strategy

In spite of differences in ideology, political systems, mentality and methods, the general conditions of modern warfare force the future opposing powers to adopt certain analogous, if not identical, strategies. Thus we would like to know if a certain coordination of European national economies does not correspond to American strategic interests. The example of Stalinist policy as regards the Eastern bloc can serve as an excellent basis for comparsion. No one can deny that the bloc is an example of increasing coordination, under the direct and permanent control of the U.S.S.R., not only among the national economies of the satellite states, but also between them, taken individually or *in toto,* and the Soviet national economy. This is a system that simultaneously takes care of the *diplomatic* and *economic* interests of the dominating power. It is obvious that the Soviet satellites serve not only as military buffer states but also as valuable economic assets. We are not so much

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interested in the methods, which are varied, by which the Russians built this system, but in the *necessary conditions* of its establishment. Apart from the fact that it is first necessary to obtain the consent of the states concerned which poses serious political problems, such a multilateral economic coordination demands that those governments, as well as the dominating state, control the essential industries of their respective national economies; or, in other words, that these are more or less state-controlled. This necessity excludes, therefore, any system based on private profit; the economy must be guided by the needs of the satellite and dominating states. This system of state-controlled national economies coordinated for the profit of a dominating State is not possible in the long run unless the dominating State assures the continuing physical existence of the satellite states. Thus there must be *integration* between the satellites economies and the dominating national economy, even though on an unequal plane. From this we are forced to conclude that General Marshall must be the first to know that it would be absolutely impossible for him to build such a system in Western Europe unless the United States emulates either Stalinist Russia or Labor England. Moreover, it is a fact that the United States can, within her own borders, build a national economic-strategic power unequalled in the world. Therefore the question of coordinating Western European economies becomes important to the United States only as regards her diplomatic-strategic interests. As regards the latter, why does General Marshall seek to complicate his existence by trying to construct a system of Western European coordinated national economies instead of treating directly with each of the states which interest him and giving of his bounty in dollars as is necessary?

The Pan-American bloc serves as an example for the "Western bloc" which General Marshall seeks to create. But, just because *diplomatic*-strategic and not *economic*-strategic interests are concerned, the Western bloc *a l'americaine*, just as the Pan-American bloc, would become a system of military alliances (whether they would be *de facto* or *de jure* is unimportant) and not at all a system of coordinated national economies as the Eastern bloc.

"Divide and rule" remains General Marshall's strategic formula for Europe. His German policy is another manifestation of this. While the sixteen countries were discussing what should be done with the Ruhr, General Marshall (thanks to the system of separate negotiations) succeeded in forcing Messrs. Bevin and Bidault—the former openly, the latter tacitly—to accept complete American control on the

Number One economic-strategic potential of Europe outside of Russia. Thanks to Ruhr coal, General Marshall has a direct and permanent means of applying pressure on each of the Western European states whose steel industry depends on this coal. With her dollars, Fort Knox gold, Ruhr coal, strategic bases in Spain, Portugal, Greece, Turkey and Iceland, the United States is in a good position to challenge Russia's place as Europe's first power.

What Does American Capitalism Think?

Now we shall determine whether American capitalism, contrary to the strategic interests of the State Department, would be interested in the coordination of the Western European national economics. But first we must know what are American capitalism's aims in Europe. They are several: first, to retain insofar as is possible those markets, in Europe as well as throughout the world, acquired as a result of the European crisis of under-production; second, to assure the greatest possibilities for the investment of private capital in the different Western European national economies and their colonies; third, to prevent, insofar as is possible, the development of those industries which would compete with American products throughout the world; fourth and last, to combat in all ways any European ideology hostile to capitalism in general and American capitalism in particular.

We already know that this last objective is completely incompatible with any program of effective coordination of European economy. Not only in the United States, but throughout the world, American capitalism has undertaken the fight against any attempt at planned economy by an autonomous state—not to mention planned economy controlled by the workers themselves, which is, after all, the socialist goal.

As for points 1 and 3, we can predict American capitalism's reaction by reading the preliminary report of the Sixteen Countries: "European prosperity," it declares, "depends on being able to sell uninterruptedly and in considerable quantities to the American continent as well as other parts of the world." It also states: "Increased production in the participating countries (the Sixteen) and in the Western zones of Germany will allow reduced American imports of those products which those countries can manufacture. . . . The modernization of European industry will result in increased production and therefore in the possibility of increased exports to America." It is then explained that this increase in European exports to America is only possible "if the United States lowers its protective tariff rates considerably."

Does it not become obvious that, in the measure in which the sixteen would succeed in coordinating their national economies, American capitalism would be interested in preventing this at any price, since this would mean that the Sixteen would be competing with American industry in its own hemisphere and international markets?

Let us examine the second aim of American capitalism, that relating to capital investment. We know the answer when these investments encourage American exports to Europe. But what happens in the case of American financial participation in European industry or in the case of the establishment in Europe of more or less camouflaged subsidiaries of American holding companies. Isn't it true that, in this case, the expansion of European industry would be equally profitable to American capital directly invested in this economy? However, it must be remembered that these private investments are made not to compete with domestic American industry but to compete with rival European industries located in the country where the investment is made as well as in other European countries. In other words, these investments result in increased competition inside Europe and not between Europe and the United States. Thus, the system most favorable to these American investments in Europe is that of the free inter-European commercial rivalry which is completely opposed to any system of coordination of national economies as such. The only form of "European coordination" compatible with American capitalist interests is that of international cartels under American leadership; their aim is to prevent the play of foreign competition on American capitalism. Therefore, they are completely opposed to the objectives of the Sixteen. We come inescapably to the conclusion that no major opposition exists now between the strategic interests in Europe of the State Department and the private interests of American capitalism.[1]

Mr. Bevin's Puzzle

But how do the Europeans themselves react to European economic coordination? A lengthy analysis is not necessary to be convinced that

[1] This is not to say that conflicts on European policy between the State Department and American capitalism cannot arise. General Marshall's ideal would be to be able to control the American economy like an army. It is undeniable that the economic policy of the various private American monopolies can sometimes seriously interfere with General Marshall's maneuvers, such as the high price on grain or the refusal of U. S. Steel to increase production for Europe because of fear of lowered prices. But these are only minor differences. A serious conflict would arise on the day when American capitalism would acknowledge its inability to satisfy the needs of the political strategy of the United States. Should his happen, the establishment of a permanent "war economy" under state control would become a "state necessity."

England has in no way renounced her world position as a great imperial power and will defend herself against attempts by her rivals to oust her. It is for this reason that the United Kingdom must increase her industrial and financial power. But she must first organize the strategic (economic and diplomatic) protection of her home islands, for *national* defense has become no less urgent than *imperial* defense. If it is true that there is always reciprocal action between British national and imperial power, it must be stated that now the second is more conditioned by the strategic position of the British Isles to the European continent.

Faced with a continent plunged into anarchy, England sees before her a double danger: that of becoming an American dominion or of finding herself isolated in a completely Stalinized Europe. Since offense is the best defense, Mr. Bevin had the brilliant idea of a plan for multilateral coordination of Western European economy. All the natural and industrial resources of these countries would be pooled in order to be exploited by a rational and not anarchic division of labor among the participating states. Being thus assured of a food supply from Europe, England would then easily re-establish her industrial supremacy in Europe, particularly since she would have already reached an agreement on economic coordination with her own Dominions, which are also suppliers of raw materials. Such a plan, thought Mr. Bevin, would have great chances of success, particularly since the Socialist parties play such an important, if not the most important, role in most of the Western European governments. In short, the Secretary of the Foreign Office envisages the creation of a kind of "Eastern bloc" in Western Europe, but this time, of course, on a democratic, if not social-democratic base. While Leon Blum was in London laying the foundation for the present Franco-British Alliance, he allowed Ernest Bevin to nurture the greatest hopes. . . .

But here is the hitch. Some social-democratic leaders think they can change the face of the world by agreements among political general staffs, or among governments. All that remains for the masses is to follow their leaders in a disciplined fashion. No need to appeal to them other than to demand their maximum effort in production. This is known as "revolution from above." These leaders forget that if this "method" has been used successfully by the Russians, it is principally because they are backed by the Red Army and the various kinds of terrorism practiced by the leaders of the national-communist parties in those countries "coordinated" by the Stalin's cohorts. They also forget that these communist parties recognize and support only one kind of

nationalism—that of the Soviet—and they are ready to sacrifice everything for it. The Communists are resolutely internationalist in this respect and this is the trump card in Soviet strategy. Our Socialists, on the contrary, are true nationalists. Their internationalism does not extend beyond the framework of the classical alliance between States in which each State retains all its prerogatives. Thus Stalin knew that the best way to attack the Marshall and Bevin plan was to accuse its backers of endangering national sovereignty. While the Eastern European Communists applaud "Papa Stalin's" cynicism, the Western European Socialists, touched to the quick, swear that they would rather die than have "their" national sovereignty impugned.

Thus no delegation at the Paris Conference would admit that its country's fate was linked, however distantly, with the success of the British "labor experiment." Didn't Mr. Bevin address the other ministers in his capacity as Foreign Minister of a country jealous of its national power? Nothing better illustrates the internal conflict raging in the breast of each socialist statesman between his nationalism and his socialist ideals than the struggle between French and British Socialist ministers over the Ruhr.

If France obtains from the Ruhr all the coal necessary for the exploitation of her vast iron resources in Lorraine, she will become, within a few years, the first industrial power in Europe. This is exactly what England seeks to become and why she did not hesitate to offer the Ruhr to the United States, rather than allow France to have it. If France needs coal for her new blast-furnaces, she should be patient. England will be able to sell it to her as soon as England herself is assured of enough to meet French competition on the European steel market.

The Bevin idea was excellent—on paper. But don't Socialists realize that such a "sacred union" between states can be effective only during a war or under the domination of a totalitarian state?

Cooperation versus Coordination

The only possiblity of effective multilateral coordination of a limited number of European national economies which can be realized by general consent in time of peace is none other than that present generation's last chance to adopt socialism. That is, such a coordination cannot be geared to increase the national power of any one country nor can it be established to build a powerful enough bloc to take its place in the world arena in order to fight another such bloc. The only kind of economic multilateral coordination possible *in time of peace* is a truly socialist coordination with peace as its goal—a goal to be

achieved by definite renunciation of power strategy. In order to succeed, Ernest Bevin must talk from Transport House in the name of the working masses of England and the Commonwealth to the workers of Europe and America. Instead, we have the spectacle of the Foreign Secretary issuing invitations to other Foreign Secretaries. It was inevitable that Mr. Bevin's beautiful plan of coordination should degenerate into a program of so-called "cooperation."

What, in reality, can be understood by cooperation of national powers in time of peace? It is a well known doctrine whose basic principles can be found in the Report of the Sixteen presented to Washington: "The committee was guided by the principle of the interdependence of the countries concerned. . . . The structure of the pre-war European economy presents a system already perfected for reciprocal aid. . . . Mutual aid consists first and essentially in the resumption of normal exchanges, to be followed immediately by increased production.[2]

If you follow these "principles" with the quotations we have cited regarding the plans of the Sixteen to re-establish their competition for America's favor, you understand the essence of this supposed doctrine of cooperation which can be stated in four words: *free exchange among states!* Such is the credo of the "new" international Charter of Commerce, the original of which dates back to the forties of the last century. There is something new however: this freedom of foreign commerce is demanded today by countries whose national economies are more or less state-controlled. This means that the former commercial rivalry which, in time of peace, formerly concerned the private capitalist enterprises of the different countries *has now been directly and permanently taken over by the states and governments themselves.* The old battle between capitalists for the greatest profit has now been transformed into a battle between states for the greatest national power. But to the extent that this "neo-liberalism" is essentially linked to the economic-strategic power of the states as such, it reveals its fundamental incompatability with true inter-nation freedom of commerce. Here again it is enough to read the new plan for a Commerce Charter and the Report of the Sixteen to be convinced. In these two documents it is openly stated that all the present measures for quantitative restrictions in international commerce (quotas, custom barriers, preferential tariffs, etc.) are absolutely necessary and will remain so—at least until 1952.

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[2] In the report published last October 14th by the Sixteen's Financial Committee relating to agreements on payments, it is expressly stated: "The primary objective of the program of the Sixteen is the establishment of a more liberal commercial policy inside Europe." (Appendix B, Chap. II)

It is even recommended that the preferential system be extended in the form of regional customs unions modeled after Benelux. Already France and Italy, Greece and Turkey, Sweden, Norway, Denmark and Ireland are preparing such unions. This will result in sharpened competition between groups of states within the framework of Western Europe. In other words, while paying lip-service to cooperation, the exact opposite will result.

Coordination means the suppression of causes of rivalry. It demands from the governments concerned a modification in the structure of their respective national economies so that a concerted division of work will be possible among economies which have become complementary. Cooperation now takes place, however, only insofar as it allows the governments to reinforce the present structure of their respective national economies—at least in the essential branches on which they base their economic-strategic power. Cooperation is possible, therefore, only between those countries whose principal economic activities do not compete on the world market. Thus, far from eliminating any rivalry, this so-called cooperation would seem to increase the opportunities for conflict among the associated states. To the three different kinds of association: totalitarian coordination, socialist coordination and cooperation, is added a fourth which has recently become very popular in Western Europe. This last interests the United States directly, but is not mentioned in the Report of the Sixteen.

Various American automobile companies have begun to organize important subsidiaries in Italy with the consent of the Italian Government. The raw materials, the machines and even some essential parts are furnished by the Americans, with the result that these "Italian" factories are really more assembling plants than factories. This means that Italy will curtail her own automobile production for the benefit of American production. In other words, there will be *partial coordination* of the two national economies in relation to a particular product. Another example of partial coordination is provided by the participation of American capital in the exploitation of the Italian chemical and electrical industries. This is an important development since these industries become (*de facto* or *de jure*) bi-national, belonging simultaneously to the national economic structure of the two countries. The modification of the structure of the national economies takes place, in this case, not by an extension of one and an amputation of another, but by a partial fusion of both.

Many recent developments confirm the fact that the State Department supports American capitalism to the hilt in its prodigious efforts

to accomplish these two kinds of partial coordination in many European countries. "Private" coordination, but supported by the state and exclusively bi-lateral, describes this policy. This would result in a system in Europe of partial bilateral coordination very profitable to its American partners but which would effectively prevent any multilateral cooperation of the European national economies. Nevertheless it corresponds to the private interests of American capitalism, the strategic interests of the State Department, and represents the economic side of the real Marshall Plan.

All these facts indicate that the strategic (economic and diplomatic) plan of General Marshall is necessarily opposed to any increase in the competitive power of Western Europe in relation to the United States. This is why the Report of the Sixteen was modified so parsimoniously by the dozen American "technical" committees. The Sixteen were able to find common ground only in establishing their shopping list and their program is nothing more than, as the London *Economist* (September 27, 1947) remarked, a "juxtaposition of national requests." It is obvious that Congress—in spite of its traditional hostility to the State Department—will decide that these requests are satisfactory only in the measure to which they allow General Marshall to realize his great strategic plan.

My general conclusion, therefore, is that the real Marshall Plan has absolutely nothing in common with the one imagined by our Socialist friends. The program for economic cooperation drawn up by the Sixteen is no solution. It fails to transcend national boundaries—confines which Europe must transcend if she is not to go under as a land of liberty and freedom. If it is true that there is no solution on a national scale and it is futile for those countries which have not yet been "totalitarized" to try to recover without the vast resources of the United States, we believe that the only solution lies in the spontaneous, multilateral coordination between European *and* American national economies. For this reason it is absolutely necessary that the working masses of Europe and America provide themselves with governments ready to abandon all preoccupation with national power. In other words, there must finally be established governments in Europe and America which are truly "of the people, by the people, and for the people."

BALKANIZATION OF THE MIDDLE EAST

Karim Korine

The Transjordanian government recently published a White Book containing the official documents relating to the Greater Syria Project. This question has caused so much controversy and comment during the last two years, so many differences between Syria and Lebanon on the one hand and Transjordan and Iraq on the other, that it has become a threat to peace in the Middle East. Last year it even threatened to provoke civil war when it was reported that the Transjordanian Army was mobilizing for an attack on the Syrian border.

The Greater Syria Project epitomizes King Abdullah's life ambition to unite under his rule the neighboring countries of Syria, Lebanon, and Palestine. The Transjordan monarch then hopes to unite Greater Syria with Iraq, thus forming a Hashimite Empire. He bases his claims for Greater Syria on the following:

During World War I, Britain urged Sherif Hussein, Arab ruler of Mecca appointed by the Turks, and later King Hussein of Hejaz, to revolt against the Ottomans, who then ruled the Middle East and were allied with the Kaiser. Hussein accepted on condition that the Allies grant him the crown of Iraq, Syria, Lebanon, Transjordan, Palestine and Hejas—all to be liberated from the Ottomans and united in one state. Britain agreed. On the other hand, the British and French secretly concluded the Sykes-Pico agreement which partitioned the Near East between Britain and France, the former taking Iraq, Palestine and Transjordan, the latter acquiring Syria and Lebanon.

Meanwhile, Hussein and his sons led the Arabs in revolt against the Ottomans. Prince Feisal and his tribes entered Damascus with General Allenby's troops and the Prince was crowned King of Syria. Feisal did not last long as king. General Goreau's French forces attacked Syria from the North to fulfill the terms of the Sykes-Pico agreement. King Feisal favored compromising with the French for he knew his skeleton army could not hold out aaginst French troops, but the stubborn Syrian nationalists were for fighting to the end. In 1923

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Goreau defeated the Syrians at Khan Meisaloon and King Feisal fled. Later he was made king of the new Iraq. The late king Hussein was head of the Hashimite Dynasty, deeply venerated by Arabs and Moslems because it stems from Prophet Mohammed's family. King Abdullah and the late King Feisal I of Iraq are his sons. The British made Abdullah Prince of Transjordan.

Thus Abdullah, now king, bases his claims for Greater Syria on the promises Britain made to his father to establish under the latter's crown a united state which would include the whole Near East.

He also bases his claims on results of the plebiscite held in Syria, Lebanon, Palestine and Transjordan after their liberation from the Ottomans in World War I. These results are recorded in the 1919 report of the American Crane Commission. United Syria received 80.4 percent of the total votes cast and a monarchal form of government with Feisal as King of Syria or Greater Syria was determined by 59.5 percent of the vote.

Feisal appointed his younger brother, Abdullah, Deputy King of United Syria. So Abdullah now considers himself Pretender to the crown of Greater Syria. He says, however, that he does not wish to take the crown outright, but only after a plebiscite in Syria and Lebanon.

Various national congresses have demanded the unity of Greater Syria. The Palestine Congress (Damascus, February 27, 1920), which included representatives of the new independent Syria and delegates from the Syrian and Iraqi parties, backed a resolution passed by the Syrian Congress of 1911 declaring that Greater Syria is one unit. Also there exist memoranda from various Moslem and Christian associations throughout Palestine protesting the decision of the Supreme Allied Council (April 25, 1920) to impose the mandatory system on Palestine, thereby contravening the pledges given to Hussein of Mecca. Moreover the Palestine-Syria Congress (Geneva, August 25—September 21, 1931) which represented the political parties of Syria and Lebanon as well as Palestine Moslems and Christians addressed an appeal to the League of Nations' General Assembly demanding unity of Greater Syria.

The main behind-the-scenes reasons for Abdullah's eagerness for the crown of Greater Syria are varied. First, there is his feeling of inferiority in the face of his stronger, neighboring rivals: King Farouk of Egypt and King Ibn Saud of Saudi-Arabia. The population of Transjordan is only 300,000, composed chiefly of nomad Bedouins; its area is 88,000 square kilometers, mostly desert. If Abdullah gains

Greater Syria, he can claim entry into the UN. This has been refused twice to Transjordan because Russia regards her as Britain's satellite. With Greater Syria as a base, Abdullah can also match the influence of his rivals in Arab League councils. Moreover, the leaders of Iraq and Transjordan aspire to restore the glories of the old Abbasid Empire—of Baghdad and *Thousand And One Nights* fame—in a new Hashimite Empire under one royal family. Such an empire would hold the balance of power in the Middle East between the Farouk-Ibn Saud coalition. The short-term plan is for Greater Syria; the middle-term plan for a Hashimite Empire; the culmination to be an Arab Empire led from Baghdad.

II

There are many obstacles to the realization of these far-fetched aspirations. Most evident is the categorical refusal of newly-independent Syria and Lebanon—their governments, parliaments and press—to become mere provinces of Greater Syria. It is claimed that Transjordan, by her June 17, 1946 Treaty of Alliance with Britain which granted her nominal independence with Abdullah as king, still remains a vassal of Britain. Though there is not one foreign soldier in Syria and Lebanon, there is, on the other hand, a strong British and British led native army in Transjordan. Syria and Lebanon fear that if they join Greater Syria, they will become mere pawns in the British-U.S.S.R. power game. Also behind the refusal of Syria and Lebanon to support the Greater Syria Project is the fact that many lucrative posts held by the new ruling cliques in these countries would be sacrificed if the Levant joins Greater Syria. Nevertheless some Syrian leaders (Faris al-Khoury and the late Saad Allah al-Jabiry for instance) supported Abdullah's Greater Syria Project before Syria gained independence. Afterwards they were forced to reverse themselves by the pressure of public opinion.

A second domestic factor in Syrian-Lebanese recalcitrance is the indigenous intractability of the people and the fact that the proportion of literacy among them is the highest in the Middle East. While literacy is practically nil in Transjordan and 10 percent in Iraq, the Levant—with its American University of Beirut, which contributed considerably to Arab awakening in the inter-war years—can well hesitate about accepting rule from Baghdad.

A third factor in Syrian-Lebanese resistance to Abdullah is the high standard of living their people enjoy, primarily because they are not tied to the sterling area and the dollar market is free. Lebanon

is prosperous with her cedar mountains the traditional summer resorts for West and East. While second-hand 1939 Hudsons and Fords are used as private cars in Baghdad (Iraq and Transjordan are in the sterling area), brand new 1947 Buicks and Chryslers are used as taxis in Beirut and Damascus.

In addition we must take into account as potent factors in resistance to Greater Syria the powerful Moscow-directed propaganda echoing throughout the Levant and the opposition of the Christian Maronites of Lebanon who are strongly pro-French and anti-Abdullah. The Maronites fear that they would be engulfed by Moslems in Greater Syria and deprived of rights they enjoy in independent Lebanon where they slightly outnumber the Moslems. The Maronite Bishop Mubarak recently demanded a Jewish state in Palestine and a Christian state in Lebanon.

Another step in the economic reinforcement of the fledgling Levant states is the Tapline (Trans-Arabian oil pipeline) bonanza. Syria has been given $200,000 for protection of the line and Lebanon the same amount for right of transit and protection. Tapline is now being constructed at a feverish clip by the Arabian-American Oil Company, owned jointly by the Texas Company and Standard Oil of California. It is designed to deliver 300,000 barrels of oil daily from the Abqaiq oil fields across 1,030 miles of Saudi Arabian desert, Transjordan, Syria and Lebanon to the Mediterranean. Tapline is due to be completed in late 1949 and will help relieve the world's oil shortage, lessening Europe's demands on U. S. petroleum resources. For local consumption Syria gets 200,000 tons of petroleum yearly at cost. A refinery will be built between Damascus and Dara with Syria and Lebanon obtaining equal shares of the revenue. Income from the railway carrying pilgrims to Mecca in Hejaz will supply revenue to close the $400,000 gap now existing in the Syrian budget. A modern Syrian army and airforce is being built up. Syria also plans to become an important junction for transportation of goods between East and West through a 17-million-dollar project which includes the establishment of an international port on the Mediterranean as well as a rail network between Syria and Iraq (Damascus to Baghdad) to link up with the Iranian and Pakistan railways.

A further obstacle to the creation of Greater Syria is the strong opposition of Egypt and Saudi Arabia which fear that a Hashimite Empire may engulf the whole Arab world. There has been a great deal of suspicion and ill-feeling between Ibn Saud and the Hashimites since about 23 years ago when the former drove King Hussein out of Hejaz

and incorporated it with Nejd. Ibn Saud is the leader of the Moslem Wahabi sect which claims to be the only correct interpreter of the Koran. Saudi Arabia is the only Wahabi state. Ibn Saud has claimed the Red Sea port of Akaba and the city of Maan in Southern Transjordan, thus creating an atmosphere of continuous tension between the nomad Bedouin South and its civilized, settled Northern neighbors. Throughout last year, while Ibn Saud and Farouk visited each other and cemented their coalition, Abdullah and his nephew, Abdul Ilah, the Regent of Iraq, also kept visiting each other to offset the coalition. They have now signed a formal treaty of alliance.

Another hostile move was made by the Saud against Iraq when he gave refuge, security and even Saudi Arabian citizenship to Rashid Ali, the Iraqi Nazi puppet who led the 1941 *coup d'etat* that drove the Regent of Iraq into exile. Later, when the British drove out the Nazis, Rashid Ali was sentenced to death *in absentia.* After the war he escaped from France by plane to Saudi Arabia, where he became Ibn Saud's favorite adviser .

There are good grounds for suspicion that it was Britain that enabled Rashid Ali to return to the Middle East. How else could he have covered all that territory without being apprehended? Similar suspicions were aroused by the dramatic escape of the Grand Mufti of Jerusalem from France to Cairo. If these suspicions are correct, they tend to prove that Britain—now relatively weak and almost bankrupt—is still a powerful factor in the Middle East because of her highly efficient diplomacy. Some quarters hold that it is Britain which is deliberately muddying the waters in the Middle East, magnifying ridiculous quarrels between the Arab states, in order to keep the Middle East from uniting and throwing off her control. This view found support in Bevin's blunt declaration in the House of Commons after the Moscow conference that Britain was not at all prepared to throw away her domination over the Middle East. But this seems at variance with Britain's recent declaration of withdrawal from Palestine.

III

Behind all these maneuvers, intrigues, and counter-intrigues—altogether presenting a dark picture indeed—lurks the Anglo-American versus Soviet race for control of this strategic world center. Britain is supporting Iraq and Transjordan. Russia is supporting Syria, Lebanon and Egypt. The U. S. is supporting Saudi Arabia because of her petroleum interests there. Britain is supporting the Greater Syrian Project because she wants to eliminate the powerful Communist parties

in the Levant "vacuum" created by her own ousting of the French. Turkey also wants Greater Syria because she fears the Fifth Column danger from the Levant in case of war with Russia. Britain wants the Hashimite Empire because of her dominance over Iraq and Transjordan which she could then hope to spread over an Eastern Bloc turned against Russia and Communism and that is already forming in considerable part through a series of military alliances involving Turkey, the seven member states of the Arab league, Iran, Afghanistan, etc.

Russia sees behind all these maneuvers an Anglo-American plot to surround her with another *cordon sanitaire* from the South supplement by a United States of Europe and Marshall Plan bloc in the West.

Transjordan, the smallest yet politically most active Arab state, has become the "problem child" of the Middle East. Recently Abdullah published his 294-page Greater Syria White Book, thus reviving a controversy that the Arab League considered closed. He declares that Greater Syria, demanded by the Syrians themselves when they were under French mandate but rejected now that they are independent, is essential and inevitable. The governments of Syria and Lebanon declare they are UN members while Transjordan is still a British colony posing as independent. They say that even talk about Greater Syria violates the UN charter and the principles of the Arab League, which provide for the complete suzerainty of each member.

When last September Abdullah revived his territorial claims, Ibn Saud replied by massing troops at Syria's borders. It is an old story in the Middle East, however, that Britain always gets her way by expert political juggling and "divide and rule" technique. It is plausible, therefore, to predict the eventual elimination of Syria and Lebanon, particularly because of the Anglo-Turkish determination (discreetly supported by the U. S.) to weed out Communist influence in this highly strategic area. Abdullah will not attempt to do this by direct attack. There are many sensitive forces in Syria through which he can work internally, particularly the strongly-entrenched minorities of Druzes and Alawites. Already Sultan al-Atrash, Druze leader, and the Druze deputies have resigned from the Syrian parliment. Migration of Druze tribes to Transjordan is reported. Thus it is reasonable to conclude that Abdullah may well exploit these "manufactured" Syrian internal quarrels to maneuver his army into the Levant on the pretext of keeping order and preventing civil war. Incidentally his Arab army, 30,000 strong and lead by General Glub Pasha, disciple of Lawrence of Arabia, is the best in the Near East, having rendered yeoman's service in cutting short Rashid Ali's 1941 revolt.

IV

But, one may ask, what about Ibn Saud, 77-year-old and half-blind leader of Saudi Arabia, who has been the chief stumbling block in the way of Abdullah's Greater Syria ambitions? The American press has made much of the benefits that the oil bonanza has conferred on the Saudi Arabian people. This is nonsense. The benefits accrue to the most absolute monarch in the world who is also the richest and most powerful single figure in the Middle East.

The Arabian-American Oil Company's (Aramco's) boomtown at Shahran and the Persian Gulf refinery at Ras Tanura are producing 263,000 barrels of oil daily. Ibn Saud receives 22 cents per barrel—$57,860 a day. Aramco has invested 200 million dollars in the enterprise. American military missions are touring Arabian shores to plan air and naval bases for protection of this new version of Aladdin's wealth. As for Ibn Saud's subjects—primarily nomads scattered over the vast interior—their life, centered around tiny valleys, wells and oases, goes on as it has for centuries. Except for the workers in the oil fields, they will derive nothing from this new wealth. While Ibn Saud races over desert roads in his armored American sedan, accompanied by 50 armored cars and leaving in his wake a miniature sandstorm, his people, barefooted, starving and ignorant, gape at his regal splendor in wild-eyed amazement. With an eye on his American public, he pays lip-service to democracy and declares that he will lavish his personal fortune on construction projects—projects which are impractical because his country is the second biggest sahara in the world with practically no water. Ibn Saud's new riches have merely complicated the already nightmarish complications of the Middle Eastern whirligig. His Arab colleagues become more jealous and apprehensive. Paradoxically, while Farouk has more chance of success because Egypt is the most populated, richest and most advanced Arab state, Ibn Saud and Abdullah vie with each other to become Caliph of the defunct Arab Empire while their peoples are the prey of cholera, malaria, trachoma, bilharzia, stark poverty and illiteracy. In the country the peasants still live in the Fourth Century, B.C.

The trouble with the Middle East is that it is potentially the richest, most fertile and strategic area in the world; yet it is actually the poorest and most backward. Thus it remains wide-open to Big Three sleights of hand. For this reason Britain is able to stir up the Arab governments about Palestine, which has pumped new life into her decadent and sleepy Eastern neighbors. The Arab peoples understand the

game and want to live and let live. And Russia, in turn, foments anti-British sentiment to serve her ends in case of war with the West. The Soviet embassies in the Middle East, as was the case with the German and Italian embassies during the war, are hotbeds of Fifth Column and espionage activities.

Danger signals are flashing from every point in the Middle East—from Egypt, Palestine and Iran. It is not an exaggeration to say that a Soviet oil agreement with Iran may become the Danzig or Sarajevo of World War III. Rejection of the agreement providing for an Iran-Soviet Oil Company with 51 percent of its shares owned by Russia and 49 percent held by Iran may precipitate another Communist *coup d'etat* in Azerbaijan.

V

There is no doubt that if the internal difficulties in the Middle East, petty as they may seem viewed from the outside, will, if allowed to develop, not only menace peace in the Middle East but also throughout the world. The Middle East is another version of the Balkans. Like the Balkans, the Middle East is really one country and should have been allowed to develop as such. But the Balkans, after the days of the Austro-Hungarian Empire, was separated into many small and weak national states—a fact which lies at the roots of World War I and II. Similarly, the Middle East was broken up after the collapse of the Ottoman Empire. And it stays broken up with the Big Three Powers exploiting and developing every difference. They are playing with dynamite in order to further their own interests and infiltrate through this rich and strategic area. A sudden spark and all hell will break loose.

It is high time that people in the U. S. and throughout the world faced this hard fact. In the continued drift toward balkanization of the Middle East lies disaster.

BUTCHERS' UNION MAKES MUSICAL HISTORY

Harold Russell, of "Best Years of Our Lives" fame, isn't the only member of the AFL Meatcutters and Butcher Workmen to achieve fame in the entertainment world. None other than the international secretary of the union himself, Patrick E. Gorman, and international auditor William Taylor, are authors of the novelty song, "I'd Like to Be a Cow in Switzerland," whose sheet music sold 37,000 copies in New York City alone the first week off the press.—*Socialist Call.*

SOUTH ASIA'S OPPORTUNITY

Harold R. Isaacs

In South Asia the nationalist dreams are coming true. India is virtually free of the British Raj, although at the price of tragic division. Burma is becoming an independent republic. In Indochina and Indonesia, France and Holland are fighting bitter, brutal wars against armed peoples. But these are rearguard battles. The Republics of Viet Nam and Indonesia already exist. Their vitality far exceeds that of their former rulers. The end of the old colonialism is a fact acknowledged even by the colonial masters. The new British policy of adaptation and the French and Dutch wars are all essentially salvage operations in which the outgoing rulers are trying to rescue what they can of the old strategic and economic advantages of colonialism. But this salvage attempt is doomed to be self-defeating. Through the murk of conflict and violence, a new pattern is already discernible in South Asia. Despite enormous social and economic handicaps imposed by centuries of backwardness and foreign rule, these countries are at last winning their political independence. They are becoming, in some measure, masters of their own fate.

But this great historic change is subject to a gross historical paradox. The nationalist dreams of the decades have taken too long to come true. The subject countries have had to wage the battle for nationhood because it is the only means of finally ridding themselves of foreign rule. But they are reaching their goal in a time when nationhood, as such, is a blind alley. Nationalism is triumphing in Asia in an epoch when on a world scale nationalism is bankrupt. The colonies are winning the chance to substitute national economy for colonial economy when national economies, as such, are dying diseased things. They are winning national independence when independence alone no longer nourishes growth. The new nations of India, Pakistan, Burma, Viet Nam, and Indonesia will never enjoy freedom in the 19th century sense of unbridled national sovereignty. It is the stubbornly prolonged

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existence of nationhood in that sense which lies at the heart of the present crisis in human affairs. This is the dilemma of all the states on earth, from the smallest to the greatest. It is all the more acute for the new nations falteringly taking shape out of the debris of colonialism. It is now not a question of national communities but of a world community, not national economies but a world economy. The newly-independent countries of South Asia will as nations be no less stifled than they were as colonies. They can thrive not in a national order but only in a world order.

But there is no world order in sight. It is scarcely necessary to labor this point. The long history of wars between nations—in which Asia's colonies were pawns and victims—has reached its penultimate conclusion. From struggle for pieces of the earth, we have come to the eve of the final conflict for the earth itself. The globe as a whole has become the minimum unit of necessary social change, the smallest possible compass for a viable social order. The recent great war did not decide the issue of human progress but the identity of the main protagonists. It eliminated Germany and Japan as contenders for world power. It brought Russian national power and American national power to the final confrontation. The globe is crushed in helpless agony between these two super-nationalist entities and the future must wait upon the resolution of the conflict between them. The irony is that insofar as they represent different social and economic systems, the issue is fraudulent because neither is pregnant with any decent promise for mankind. The one offers capitalist anarchy, the other totalitarian thraldom. Between such a thesis and such an antithesis, the peoples of the earth are caught in a condition of permanent war. The immediate prospect is paralysis. The ultimate prospect, if the direction is not changed, is mutual destruction.

It is at such a juncture in history that the colonies of Asia are finally emerging as nations. They need a world order in which to grow but there is no world order in prospect. What, then, happens to them? What do they do? What *can* they do?

II

The leaders of South Asia have to carve an answer for themselves out of the realities that face them. These begin with a definition of South Asia's relation to the world power conflict. South Asia is in no way exempt from this struggle. We know now that there may be fringes of global conflict but there are no havens from it. Northern Asia—China, Japan, Korea—is already a Russian-American battle-

ground. The lofty mountains that divide the continent north and south cannot, as we saw in 1941-45, serve as a barrier against the pressures of total war. South Asians have to consider the possibilities of the future in plain power-political terms.

If continental northern Asia passes largely into the Russian sphere, the present status of South Asia will change. If, for example, Russia's strategic frontier should move to the Great Wall and thence southward to the Yellow or Yangtze Rivers, South Asia would begin to form part of the outlying glacis of "security" in which Russia systematically seeks domination or effective control. India and Southeast Asia would become, far more than now, objects of rather intense Russian interest. By the same token, South Asia would shift from low-priority to high-priority status in Anglo-American calculations. The Anglo-Americans could then foresee a day when they might want South Asia to provide against Russia the defenses it failed to supply against Japan. These factors are already actively present in the shaping of British policy in the area where Britain acts, in effect, as America's deputy. It is not too difficulty to imagine a coming time when we may be hearing as much about the Northwest Frontier as we have heard, for example, about Iran, or to imagine the discovery of similarities in the strategic significance of the Aegean peninsula and the peninsulas of Southern Asia. It could come to that.

But the important thing is that it has not come to that yet. This is South Asia's one great present advantage. This is the source of South Asia's opportunity. For the time being at least, it is not a primary theater in the present phase of the Russian-American conflict. No country in South Asia faces the tragic plight of a Korea, bisected by a Russian-American strategic frontier, or of a China already split by a civil war that only thinly masks the underlying Russian-American struggle. Right now the countries of South Asia have to contend directly not with the two Great Powers but with the weakened and retreating imperialisms of Britain, France, and Holland. This is a tremendous asset if they know how to make use of it. It means they are presented with a gift of time, a crucially valuable interval of uncertain duration. In a very real political and moral sense, these countries are not bound to either of the two great power blocs. They have the chance, therefore, to work against the portents of disaster. They have the time to try to raise a new voice, speaking in new accents, in world councils. They have time, at least, in which to work for survival.

This is South Asia's opportunity. The ability to grasp it will be determined by South Asia's relation in the coming period to its former

imperialist masters, to the United States, and to Russia. It will be determined above all by the immediate internal development in each of its countries and by the relationship they establish among themselves.

III

In the first place, South Asia can recognize no further claims upon it by its former masters. Its fight against imperialist rule anywhere and everywhere in the region must be carried through to its conclusion.

For one, two, and three centuries, the colonial powers yoked these countries to metropolitan needs. They bled them at the beginning for a large part of Europe's primary capital. They drew from them over the decades returns which repaid their investments many times over. The former colonial powers are today at the end of their tether, enfeebled and bankrupt. The ex-colonies now certainly are under no obligation to offer up their resources and their labor to save their onetime masters from collapse.

As for alleged "cultural" bonds, it hardly seems necessary to dwell seriously upon the argument that the West has been a civilizing influence, that some touching bond of pupil to teacher still links slave to former master. The colonies are, in fact, left with a legacy of economic and social backwardness, of dislocation owing to a war not of their making, of illiteracy, internal divisions, and the deep psychological and moral scars of racial subjection. Let it be flatly understood: the day of the masters is done and the slaves owe them nothing.

The present object of the colonial powers is to retrieve what they can of the economic and strategic advantages they formerly enjoyed. For these, under heavy nationalist pressure, they are now willing to offer political concessions. The British, with a flexibility of which their confreres are evidently incapable, have finally yielded to the nationalist demand for full independence. They are gambling on the hope that in the looser frame of their commonwealth, or even on the basis of direct treaty relations, they can still enjoy some of the advantages they formerly had within the tighter structure of empire. The proposed French "Union" and Dutch "Commonwealth" are, for their part, transparent devices for yielding some of the forms of political power while preserving the essence. They are so transparent and actually concede so little, that their creators are having to try to cram them down the throats of their recalcitrant ex-subjects. Hence the spectacle of the present French and Dutch efforts to divide and crush the nationalist oppositions and, through pliant puppets, to retain control of their colonial realms.

Any success they have will profit them little. It will not work. Effective new relations between the South Asian countries and their former rulers will have to be based on unqualified independence for the ex-colonies. The climate of these relations will be unavoidably influenced by the legacy from the past. It will hardly be improved by the ferocity with which Holland's American-trained commandos and France's ex-Nazi mercenaries are trying to force Dutch and French wishes upon their insurgent subjects. Despite this, the nationalist leaders of Viet Nam and Indonesia have up to now displayed a remarkable, and even excessive, willingness to compromise. They have tried to adapt their demands for full independence to the terms of "union" and "commonwealth" offered by the French and the Dutch. They signed agreements in good faith, in the belief they were conceding only in matters of form. But in each case, events have shown that the former rulers have had no intention of acknowledging the reality of independence. In each case, the French and the Dutch have resumed the use of brute force to bring their subjects to heel.

Indonesia and Viet Nam will from now on compromise at their own peril. South Asia will allow them to compromise only at its peril. As Nehru has so explicitly stated, South Asia will not be free until the last imperialist troops are expelled and the last vestiges of imperialist rule wiped out. In the present operations, the French and Dutch are enjoying only a transient and limited military superiority. They are acting out of desperation and profound weakness. They are economically and morally bankrupt. They cannot sustain these wars of reconquest if the resistance continues. Time is on the side of the nationalists. If they can keep up a war of attrition, they must in the end prevail. All of South Asia must help assure their final victory.

IV

This raises, in its sharpest and most immediate form, the question of South Asia's relations with the United States. The European powers were able to regain access to their Asiatic colonies only by virtue of the American victory over Japan. They forced their re-entry with Anglo-American help. The weapons now being employed against the nationalists of Viet Nam and Indonesia are in large part American weapons. The ability of France and Holland to continue waging these wars is due in no small measure to American loans, injected at intervals, like shots of adrenalin. That they can wage these wars at all without effective world protest is due in no small degree to American toleration of their acts. The matter can be framed in a question that

answers itself: is it conceivable that France and Holland could wage war upon their colonial subjects if the United States really wanted to prevent them from doing so?

South Asia has been learning that between American professions and American acts there is a deep gulf in which every progressive impulse is interred. On the formal record, in diplomatic notes and ceremonial public declarations, the United States has spoken for honest self-determination, the four freedoms, and international cooperation in the making of a brave new world. In South Asia, as elsewhere, many people identified American policy with these objectives. In the past two years they have learned that American policy is what America does, not what America says.

At best it might be said that the United States piously hoped that changes would occur, but in a framework of sweetly reasonable compromise. When this was not forthcoming, the United States failed to stand behind the forces of necessary change. In the showdown in South Asia at the end of the war, it supported not the nationalists but the colonial powers. It sententiously deplored the use of force and urged all the parties to negotiate, but in practice it helped the imperialist aggressors. Nationalist appeals to Washington, written under strafing and bombing by American lend-lease planes, under fire by American lend-lease artillery, under attack by troops accoutred with American equipment and brought from Europe in American vessels, all went unheeded. The story of this shoddy alliance of the early postwar months has been told elsewhere in some detail.[1] Since then, American acts have followed the same pattern. Washington has been diplomatically indignant at French and Dutch stupidity in failing to make less costly settlements. But the French and Dutch have not been prevented from using their meager resources, periodically replenished by American loans, to wage their colonial wars.

On the few occasions when colonial issues have been discussed before bodies of the UN, the United States has usually expressed its sympathy for nationalist goals and then generally voted with the colonial powers. When the issue of Holland's attack on Indonesia was placed before the UN Security Council by India and Australia last July, the United States played the role of half-bystander, half-advocate of the Dutch. It helped prolong the deliberations. When after four weeks it was finally agreed to send military observers to the spot to report on compliance with the UN cease-fire order, the American group was

[1] See my *No Peace For Asia*, Macmillan, 1947.

delayed four more weeks in getting there. All the while, Dutch forces were "mopping up" and cutting the territory of the Indonesian Republic into segments.

The official American reasoning seems to be that South Asia is not very important because it is not directly involved in the Russian problem. France and Holland are necessary to the building of a Western European bulwark against Russia. Hence they have to be shored up, even if it means giving *de facto* support to wars for colonial restoration. This goes by the name of realistic expediency. In fact it testifies to the remarkable myopia that blocks the official American view of the world political scene. Official America seems unable to distinguish between real cause and real effect or between political assets and political liabilities. It seems wholly incapable of seriously applying democratic principles, in their profounder sense of individual and popular self-determination, to the making of policy. These principles are reserved, in holiday phrases, for ceremonial use only. In *realpolitik* thus conceived, they have no part. Hence American support of France and Holland in Asia. Hence American reliance upon the corrupt, reactionary and tyrannical regimes of Greece and China in the blind drive to erect what are regarded as defenses against Russia.

In a world that groans for lack of dynamic change, the United States has assumed the role of defender of capitalist conservatism. It looks with suspicious disfavor even upon the socialists of Western Europe, despite the fact that some of these are "socialists" capable of waging colonial wars! It looks askance at the nationalists of South Asia because they are upsetting applecarts, because they are obliged by their own most urgent needs to be boldly radical. Within its own heaving economy, America remains at the mercy of its crash-and-carry capitalism. It is adrift in anarchy, clinging to its blind economic strength like a madman clings to his delusions.

That is why in world politics it acts like a muscle-bound idiot. It is dissipating its greatest political asset: the belief of millions all over the world that America stood for democratic change, for an end to an outworn and crumbling *status quo,* for a world order in place of world anarchy. It has surrendered to the Communist tools of Russia totalitarianism the role of catalyst in an age of change. The American people will have to pay heavily for this prodigal failure to bring to life a dream that might have been true. And so will the rest of the world.

From these facts, South Asia must draw harsh conclusions. It will have to count on its strength alone to finish the job of defeating imperialism. Once that is accomplished, South Asia will be able to "do

business" with the United States. It will be able to hawk some of its resources in the dollar-dominated world market. It may even usefully attract some American capital. But it will be able to operate advantageously only if it first acquires full control of its own major economic assets. Even then, the advantages will be limited and sporadic. Some capital goods may be acquired and some few gains may be made. But no large-scale and rationally-planned reconstruction will be possible.

In terms of its broader political orientation, South Asia has to keep clear of the American world camp. The United States is not offering leadership in the creation of a new world order. It has chosen so far only to lead in the defense of a system that no longer works. Its destination along this road is the ultimate collapse. South Asia cannot wholly prevent itself from being dragged along. But it can try to avoid being pulled over the precipice.

V

The Russian model for the world order is totalitarian statism under Russian world leadership. Its method is the aggrandizement of Russian national power, at whatever cost to other peoples. Does this offer an alternative leadership that South Asia can follow?

Russia too, a little farther back in recent history, represented an immense dream for much of Asia. It supplied the example of a successful revolution in a huge, backward country. It stood for a new kind of dynamic internationalism. It scornfully repudiated the Czar's extortions from China. It lent support, direct and indirect, to the national movements that surged across Asia in the aftermath of World War I. But that Russia was buried long ago, in the defeat of the Chinese revolution of 1927, in the concentration camps, dungeons, and cemetaries of the Russian secret police. Its internationalist voices were stilled by the gunfire of its executioners. Its internationalist policies were replaced by an intensely narrow nationalism. For its own ends it manipulated popular movements abroad and by its attempt to win a breathing space for itself in the 'thirties, it brought on the crushing defeats in Germany, Spain, and France that were the prelude to World War II.

Today's Russia is the super-state, one of the two great national powers contending for world primacy. It is a monolithic, totalitarian, police state. Its control of the whole national economy is vested in an all-powerful and self-perpetuating bureaucracy which is the new ruling class. It has stifled all dissent and for its dissenters has created a vast system of forced labor in which literally millions are enslaved. This is

the Russia which was allied with Hitler and with him plotted the division of the world's spoils. This is the Russia which was then allied to the West, which has invaded and absorbed huge territories, looted foreign industries, created pliant governments in its cordon of satellite states, and which has extracted territorial and military privileges from China. This is the Russia which stands today not for any kind of socialism but for super-state sovereignty as the prime weapon of power.

To this Russia, the colonies are simply pawns in the power struggle. It uses colonial issues to needle its Western rivals and to provide justification in reverse for its own depredations. Its sole criterion is the Russian national interest. Hence it is just for Russia to take the Kuriles, to hold Port Arthur, or to pressure Turkey or Iran but unjust for the United States to fortify its Pacific islands or bases in the Arctic. Where it is conjuncturally convenient to its purposes, Russia turns a colonial issue into a skirmish. Such was the Ukraine's move against Britain in the UN two years ago on the issue of the war in Java. But where it does not suit Russian purposes, other colonial issues are left severely alone.

Russia has, for example, remained officially silent on France's war against Viet Nam. Where France will fall in the power lottery is not yet clear. French strategic outposts in Asia might yet prove a Russian national asset. Hence Russia's satellite Communist Party in France guides itself accordingly. It has been remarked earlier that the United States could halt the colonial wars if it wished to do so. Similarly, the French Communist Party could stop France's war against Viet Nam. Not a gun, or a ship, or a man could move eastward from France if the French Communist Party willed it so. Instead, in the earlier stages of the conflict, French Communists tried to get the Vietnamese to check their revolt until Russia's wishes could be ascertained. When fighting broke out, the French Communists took a stand not unlike that of the United States. They have deplored the war. They have editorialized against it. In the French Assembly, Communist deputies abstained from a vote on war credits. In the cabinet, the Communist ministers voted along with the government. They have advocated "negotiations." But they have taken no preventive action.

Russia's professed concern for self-determination does not prevent it from turning all its satellites into servile tools, each one becoming in the Russian image a police state which imprisons and executes its dissidents. Russia is a great national power in a race for world mastery. It bids for the world not with a new freedom but with a new tyranny.

There are, to be sure, some grounds for political affinity between

South Asia and totalitarian Russia. Even some Indian industrialists have in the past been beguiled by Russia's demonstration of what ruthless dictatorship can accomplish in the industrialization of a backward country. The Communist program for destroying feudal and quasi-feudal land relations has not yet been matched by any other political program capable of achieving the same end without making it part of a totalitarian system. And destruction of feudal land relations is the prime political task in all Asia. In China, even though the Communists have turned their radical agrarianism on and off like a spigot in accordance with Russia's changing policies, the revolutionary impulses of the peasants are placed at the service of Russian totalitarianism.

There is in Asia's backwardness and thraldom a deep reservoir for new kinds of tyranny. In each newly-independent country the question of internal power remains unresolved. Each is subject to the pull of reaction at both ends of the political and class spectrum. India could refurbish the British concentration camps in the Andamans. Viet Nam could enlarge the French penal colony at Poulu Condor. Sufficiently frustrated by prolonged and unrelieved crisis and in the face of failure by its progressive leaderships, South Asia could indeed take the path of tyranny.

It could come to that. But here, again, the important thing is that it has not come to that yet. South Asia can try not to be dragged toward new catastrophes by American capitalism. But neither is it compelled to take the road, behind Russia, toward a new 20th century Byzantium in which economic progress is equated in a new way to human slavery. In this indecisive interim, while the titans spar and skirmish, South Asia has the chance not to take sides. It has the chance to gather together its own resources for survival. It even has the chance to begin to build a world in some third image.

VI

The reference here throughout has been to South Asia as a whole. This is imposed, and by no means accidentally, by the nature of the argument. All these general considerations affect the area as a whole. They transcend all the obvious and formidable particularisms in the different countries. By the same token, the great opportunity that now confronts South Asia is not India's opportunity, nor Burma's, nor Viet Nam's, nor Indonesia's; it is *South Asia's* opportunity.

Consider South Asia as a physical fact. It embraces perhaps a fifth of the world's surface. It contains some of the richest resources in the world. Of some, like rubber, tin, jute, hemp, rice, it has the world's

larger share. It has iron and coal and oil. It has great forests. It has rich land. Its people number more than half a billion, one-fourth of the world's population. So defined, South Asia is one of the major areas of the world, capable of immense production. The colonial system imposed upon it a grotesquely distorted economy in which its people could multiply but never thrive. In a rational world order, it could multiply its own and the world's wealth many times.

It is deprived of that chance for now. But it still must edge its way in that general direction. This means that South Asia must make the leap from a state of colonial subjection to a new and dynamic kind of internationalism. Its countries have to find a way, even now before they are wholly shaped themselves, to function as a coherent political unit. That is their first and only defense against the anarchy of the rest of the world.

This is not soaring vision. This is hard politics. These countries cannot long enjoy their triumphant nationalism for it will soon crumble to pieces in their hands. Each has enormous unresolved internal problems. But it would be the utmost folly for any progressive South Asian nationalist to think that these problems postpone or preclude any regional organization. On the contrary, the existence of these problems is part of the pressure that dictates some such unity.

What kind of unity? There are blocs and blocs in the world. Each has a form that corresponds to its purpose and to the character of the countries that compose it. South Asia too must form a bloc, but a bloc like no other in the world and serving a purpose no less unique. South Asia has no interest in tying itself together in a string of knots to fly at the tail of some big power's kite. Nor will its needs be served by a loose mechanism like the Arab League, uniting bitterly rival feudal cliques on the strength of a few common political aims. South Asia must, within the limits of its own possibilities, aim at something that resembles what the world as a whole must become. It has to aim toward a federated union, a regional regime democratically functioning and with power to plan and to act.

No attempt can be made here to blueprint all the imponderables of such a union. These depend to such a profound degree on the social and political character of the regimes that finally emerge in command of the new South Asian nations, on the boldness and vision and clarity of the best of South Asia's leaders. They have to pool their interest and their wisdom to give such a union its ultimate shape. Meanwhile there are certain common purposes already obvious, already dictating com-

mon action. Out of such action, the machinery of union can begin to be built.

The first of these is the need to bring to an end the colonial wars in Viet Nam and Indonesia. None of the new regimes in South Asia is so narrowly nationalist as not to recognize this fact. But they have to act. They can form a South Asian Council, which will sit in permanence in Delhi or Bangkok. This council can devise and direct the steps that can be taken. French and Dutch communications across South Asia can be broken. Arms can be shipped. On an unofficial basis even volunteers can be recruited. On the diplomatic front, no chance should be lost to cite France and Holland before the rest of the world. The action already taken on Indonesia must be followed by similar action on Viet Nam. Such action in the UN cannot be counted on for practical results in the war zones. But it can have considerable political effect and link South Asia to many of the smaller nations in other parts of the world. In the face of a bold diplomatic offensive, the Great Powers will be compelled to veer and tack to meet it. Accompanied by a vigorous propaganda campaign, especially in the United States, such an offensive would not be without result.

Other functions could be assumed by the South Asian Council. It can undertake a master inventory of the economic resources of the region. It can recommend master plans for food production and food transport and for mutually beneficial reconstruction projects for which material is available or can be secured. It can plan mutual educational programs. It can pool facilities for training technicians. It can devise the framework of a customs union and for rationalizing all transport and communications in the area. It can, indeed, move toward closer union and wider areas of common action just as fast as the participating members are prepared to go.

Any union, of course, is a product of its parts. Common action is by itself no virtue. It can be employed by the most reactionary forces and employed for the most reactionary purposes. The present world political jungle abounds with examples. The South Asian Union advocated here would be a union whose aim is to embrace neither tyranny nor anarchy but to seek some new combination for the secrets of progress. It would have to be composed of states militantly and dynamically trying to break with the bonds of the past. They would be vigorously demolishing the obsolete and oppressive systems of land tenure. They would be abolishing usury, rationalizing the marketing of rural produce, introducing modern farming methods. They would be establishing rational control over industry. They would be waging

all-out war on illiteracy and preventable disease. They would be based on broad, democratically organized and freely functioning popular mass movements, rooted in the people and in the broadening of popular liberties. They would be vigorous, radical, revolutionary states trying to apply the best of socialist thinking and methods to the real problems of liberation.

Does South Asia contain these elements, or enough of them to prevail over landlordism and religious and political reaction? That remains to be seen. An organism that does not grow atrophies. Maybe it is far too much to hope that healthy bodies can still grow in this paretic world. Perhaps it is true that the effective political elements in this world can combine only to spawn monsters. Maybe it is a kind of desperate optimism to think that this might not yet be true of South Asia. Here, at any rate, is the challenge and the opportunity.

The proposition does not start from zero. The bare logic of events has given the idea of South Asian unity currency among all kinds of nationalist politicians. It is already widely discussed throughout South Asia and is already being projected in many different forms. It is part of the thinking of Nehru and even more so of the Indian Socialist Party. There are strong socialist currents in the leadership of both Viet Nam and Indonesia. This is already a sizable political bloc within the present guiding circles of South Asian nationalism. There are also, to be sure, Moslem conservatives, bourgeois reactionaries, princes and landlords, and religious fanatics. The issue lies between them.. If some modified kind of socialism can still triumph in South Asia, if the best of South Asia's leaders are bold enough to work for it, they can create something new under the sun.

If it is impossible for them to break through the bounds of narrow nationalism, then all of it is impossible. The triumphant nationalisms will each assume some new form of grotesque frustration. Each country of South Asia, pursuing its own course, will beat its brains out against the walls of worldwide futility. Far from possibly becoming a new dynamic factor in determining the fate of the world, the countries of South Asia will simply share its fate as passive victims.

WHAT? NO VETO?

Lest it be thought that the United Nations is incapable of quick decisions it should be reported that the Legal Committee last week in five minutes agreed on a flag. . . . It is to be a white globe on a field of blue. —*Manchester Guardian.*

CAN THE CHOICE BE EVADED?

Raphael R. Abramovitch

Once upon a time—according to an old French parable—there was a mule that starved to death while standing between two stacks of hay: being as pedantic as he was stubborn he couldn't make up his mind which stack was better. I was reminded of this unfortunate hero of Buridan's fable when I read Mr. Harold R. Isaacs' article appearing in this issue, and visualized a very worried-looking American liberal "crushed in helpless agony between two super-nationalist entities": the totalitarian imperialism of Soviet Russia and the capitalist imperialism of the United States. Mr. Isaacs looks and looks and cannot decide which of the two is worse: He writes:

> The irony is that, insofar as they represent different social and economic systems, the issue is fraudulent because neither is pregnant with any decent promise for mankind. The one offers capitalist anarchy, the other totalitarian thraldom.

The logical conclusion to be drawn from such an evaluation of the rival global forces should be the refusal of the "peoples of the earth" to participate in any form whatsoever in the gigantic struggle. But is Mr. Isaacs right in his evaluation? Can a people just "refuse" to take sides? An individual can, a small group of intellectuals can. But "peoples" are not a socially uniform entity: the peoples of these countries are differentiated in their political and ideological affiliations. Thus the problem of submitting to one of the imperialisms would necessarily become an issue within every nation; and internal strife, sharp clashes and eventual civil war would be the result. The idea that a choice can be evaded in our divided world is an utopian one.

But Mr. Isaacs' concept is not only utopian. It is wrong in its essence, and therefore leads to very dangerous tactical and political conclusions for the peoples concerned.

Mr. Isaacs asserts that neither Russian totalitarianism nor American capitalism are "pregnant with any decent promise for mankind." I agree with Mr. Isaacs in respect to Russia. But I must disagree completely insofar as democratic capitalism or the U.S.A. are concerned. I still hold to the Marxian diagnosis that capitalist society *is* pregnant

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RAPHAEL R. ABRAMOVITCH, a member of the editorial board of *Modern Review,* characterizes this brief article as "marginal notes" to the preceding article by Mr. Isaacs. Mr. Isaacs has been invited to reply in our next issue.

with a new social order and thus historically viewed, does bear "a decent promise for mankind." And I think the evolution of war-time and post-war developments in the countries of Europe and Asia has confirmed Marx's predictions.

The major conflict underlying the recent war was—according to Mr. Isaacs' own terms—between the totalitarianism of Hitlerite Germany and the "capitalist anarchy" of the U. S. But what happened during the conflict and after the war? The more the anti-Hitlerite coalition under the leadership of capitalist America triumphed over Hitlerism, the stronger became not capitalist anarchy (as Mr. Isaacs assumes) but the elements of planning, nationalization of industry and the power of the socialist-minded working classes.

Is not the Labor Government in Britain "a decent promise," even if it turns out to be short-lived—an assumption that there is no reason to make at the moment? Is not the development of other European countries, or, for that matter, of the former colonial countries in Asia, "pregnant" with democratic and socialist potentialities of which Mr. Isaacs himself is an eloquent proponent? He appeals to the South Asiatic liberated countries to establish "some modified kind of socialism," thus to "create something new under the sun." Well, what about the "capitalist anarchy" that triumphed in Asia on V-J Day?

Would the British experiment, the Scandinavian pattern of re-shaping society, the attempts of the Italian and French socialists to create a system of mixed economy, or the kind of semi-socialist federation advocated by Isaacs himself for Asiatic peoples be conceivable today if victory in the last war had gone to the Hitler totalitarians rather than to American "capitalist anarchy"? And will not the same relationship be re-established in case of a global conflict between American "imperialism" and Soviet imperialism?

If Mr. Isaacs were not blinded by his uncritical repetition of long obsolete pseudo-Marxist slogans, he would notice that there is only one country in today's world that is imperialistic in the real meaning of the term—Soviet Russia—and that all other countries outside the new Soviet Empire, including the U. S., are waging a defensive struggle for survival. He would realize that the decisive trend in the society of our time (even in the U. S.) is not the growing predominance of free enterprise and "capitalist anarchy" but the irresistible infiltration of elements of planning, state control and labor participation in the whole economic and social structure of the modern democratic state.

Every one of these states, in this period of reconstruction and re-shaping, is "pregnant" with tasks which cannot be achieved on the

basis of classical capitalism. Every state is "pregnant" with millions upon millions of organized workers; and even America's "capitalism-in-one-country" is compelled by the force of events to maintain and strengthen, rather than destroy, the elements of planning and control in the economies of the countries to which, in its own interests, it must give assistance through the Marshall Plan.

When we realize all this, we simply cannot put an equality-mark between Soviet aggressive imperialism and the legitimate national defense of the democratic countries. In our policy we must establish a hierarchy of values and of socio-economic and political systems. From the point of view of democratic labor, or from that of Social Democracy, the system of democratic capitalism, pregnant with libertarian and socialist possibilities, is superior by far to the system of totalitarian pseudo-collectivism.

Mr. Isaacs bemoans the sad fate of Korea "bisected by a Russian-American strategic frontier." There are a few more territories and peoples "bisected" by the same strategic frontier; for example China, Greece, Trieste, Germany and Austria. Imagine that the United States, in order to comfort Mr. Isaacs, should decide to withdraw her troops from all these areas. Then, for sake of argument, suppose the opposite. Suppose that Russia were to withdraw all her troops. In which case would the peoples concerned profit more in terms of standard of living, political and spiritual freedom, human rights, personal dignity, and—last but not least—national sovereignty? The answer is simple and I trust there is no disagreement between Mr. Isaacs and me in this respect. So why place Stalinist Russia and democratic America on the same level? Why try to persuade colonial peoples that they have no stake in the struggle between the Soviet totalitarian bloc and the freedom-loving coalition of democratic states—materially led but not spiritually dominated by the U. S. A.?

It is futile to try to evade "taking sides" in the present world situation. This does not mean that the peoples of the "third category" who are neither capitalist in the sense of the U.S.A. nor Soviet satellites should not go on trying to establish some form of transition from capitalism to democratic socialism. Quite the contrary, they should with all their forces, because there is nothing else to do. But that is not the issue. The problem under the aspects of power politics is whether, when it comes to the eventual showdown, they can remain outside of the struggle or form a third power which could conduct a war on two fronts. They cannot and that is why the problem of taking sides must be very clearly advanced.

THE INDO-CHINESE INDEPENDENCE MOVEMENT
BACKGROUND OF STRUGGLE

Pham Huy-Thong

It took the French over 25 years to conquer Viet-Nam (Indo-China). The conquest began in 1858 and ended only in 1884 with the signing of a treaty imposing the status of a protectorate on Indo-China.

It took the French colonialists more than 25 years to impose their regime and they have never been able actually to install themselves securely in the country. The struggle for national independence never ceased. For sixty years French occupation troops were forced to remain on the alert to combat each new resurgence of the spirit of independence of the Indo-Chinese people.

War of the "Intellectuals"

Only a few months after the signing of the French *diktat,* Emperor Ham-Nghi fled from his capital and called upon the people to revolt (1885). His proclamation, spread by the writings and commentaries of the "intellectuals," created a profound impression. The monarchy, which had been unpopular previously, acquired a sudden prestige. The French counter-move was to install a new emperor, Ham-Nghi's brother, on the throne. But the people considered the new emperor a "valet of the foreigners" and it was evidence of the acquired popularity of Ham-Nghi that he could wage a five-year guerilla war against the French armies which were ordered again and again to drive him from his hide-out in the forests. They finally captured Ham-Nghi in 1889 and deported him to North Arfica. But even then the resistance movement was not broken and continued under leadership of lieutenants of the captured emperor.

Guerilla War

The French attempted to quiet public opinion at home by stating that the war was over. Actually it was to continue for a long time. During 1893-95 Phan Dinh-Phung, the leading physician of the country, gave new impetus to the resistance movement. He reorganized the guerilla army, punished the traitors who had permitted Ham-Nghi to fall into French hands, and attempted to introduce modern methods of warfare among the resistance forces. Phan-Dinh-Phung's premature death, however, led to a splitting up of the movement. Main guerilla operations were now transferred to the north, near the Chinese frontier. But the war still continued. "Our troops," wrote French General Lyautey, " are weakened through the incessant and yet futile efforts that are demanded of them . . . and the same efforts are ever again to be done all over." But France was prosperous in those days and world opinion unconcerned about a colonial war waged far from the centers of Western civilization. The heroic resistance groups were reduced one by one and the movement brought to an end finally by the capture and assassination of De-Tham, last of the old resistance leaders. The guerilla war had lasted twenty-eight years!

PHAM HUY-THONG is a Vietnamese professor of history and geography and Socialist member of the Viet-Nam mission in Paris.

Reformist and Monarchist Oppositions

Even before the final French victory over those who were then quaintly called "pirates," the French began to encounter a different kind of obstacle. Under influence of the victories of a "westernized" Japan over China—later over Russia—the Indo-Chinese intellectuals renounced the study of Confucius and began to study avidly the thoughts and techniques of the West. Western ideas penetrated even to the court of the new Emperor. Did he really conspire against the French? This has never been established, but in any case the French deposed him in 1907 for "mental unbalance." A number of leading intellectuals now left the country to attend foreign schools, hoping to acquire that science of the West which they now knew was necessary if they were to struggle successfully against the French administration. These intellectuals-in-exile never ceased their propaganda directed toward their homeland and contributed a great deal to the creation of a permanent feeling of insecurity and fear among circles of the French administration and their native collaborators. In 1916 another emperor, Duy-Tan, ambitious and afraid that the exiled revolutionaries (among whom were included a Prince of the Imperial House) would leave him without support, suddenly attempted a revolt. But the project did not materialize and he was exiled. From then on the monarchy was only tolerated, being completely discredited in the eyes of the populace and wholly dependent upon the good graces of the French.

The Republican Movement

The resistance movement now acquired a radically different character. It became inspired by the newly-discovered ideas of the French Revolution, by its dream of human fraternity, republican ideals, and principles of national self-determination. Pamphlets which were circulated in this period attacked the monarchy and all the intellectual supporters of the old regime for their collaboration with the French authorities. The French were reminded on every occasion of their self-proclaimed principles of *Liberté, Egalité, Fraternité.* A group of Hanoi patriots created the Dong-Yinh-Nghia-Thuc center of learning and culture which propagated republican ideas.

The French administration reacted violently against this wave of native republicanism. The leaders of the various republican cultural movements were exiled. Peasants who sought reforms were brutally beaten. Force engendered force and the years 1908-19 were marked by a series of revolts, conspiracies, mutinies, etc.

During the First World War, the French authorities made great promises to the Indo-Chinese people in order to enlist their support. Viet Nam believed in the promises and contributed money, labor and men toward the victory over Germany. But soon after the war, the Vietnamese learned that they had been deceived. Instead of liberalizing the regime, the French installed a new reactionary Governor General, Merlin, with dictatorial powers, and the struggle to repress "terrorism" began all over again.

In 1925, after a bombing, secret societies sprang up. Marxist ideas also began to penetrate the country. By 1929 a revolutionary net of organizations provided the base for the Nationalist Party, led by young, western-schooled Nguyen-Thai-Hoc. This party of intransigent nationalism engaged in a life or death struggle "to throw the French into the sea." Terrorist attacks by "suicide squads," methodical sabotage and spectacular executions were some of the weapons employed. Mass executions in retaliation led to an appeal to the people to engage in open insurrection (February 1930). The whole of Viet-Nam and especially the Delta of Tonkin was in revolt.

The administration attempted to counter with increased terror, mass arrests, summary executions, trials and purges. An entire village was wiped out by incendiary bombs because it was supposed to have granted asylum to insurgents. After a year of repression in this "grand style," the Nationalist Party was vanquished.

The Revolutionary and Democratic Movement

The Communist leader Nguyen-Ai-Quac had advised the Nationalists to avoid open combat which he thought was premature; but, after hostilities begun, he went to Hong-Kong, there assembled a number of delegates from various leftist organizations, and founded the Indo-Chinese Communist Party (1929).

After the defeat of the Nationalists, the character of the resistance movement again changed its character. It was not a case of victory for the ideas of Marx and Lenin. The intellectuals were very much influenced by these ideas but the masses, struggling under the burdens of colonial oppression, cared little for doctrinal subtleties. For them the slogans of collectivism and internationalism had little appeal. What they sought was unity and cohesion as a national entity.

Nevertheless the resistance movement now took a very different orientation. Social problems came to acquire as much importance as political ones. In fact the colonial regime had wrought vast changes in the social structure of the country. The miserable peasants and the—as yet young—working class now came to the forefront of the struggle. With the active participation of the masses, the character of the means of action employed by the revolutionaries also changed. Great mass demonstrations demanding concessions replaced individual acts of sabotage, of terrorism and small-scale revolts. The French again increased the pressure. Troops, particularly the infamous Foreign Legion, received orders to break up these peaceful demonstrations. Blood began to flow again. Soon a great part of the country was once more in open revolt. French planes ranged over the countryside, machine gunning harmless gatherings of unarmed peasants. Whole villages were razed and bombed. By 1932 the French could again report that "the situation" was "well in hand." It was rumored that Nguyen-Ai-Quac had been arrested by British police in Hong-Kong and was to be handed over to the French authorities, that he had died of tuberculosis, that he had succeeded in escaping. All traces of him were lost. For months political prisoners streamed into the camps and prisons of Son-La, Kontum, Dakpao and Poulo-Condor.

The Anti-Fascist Independence Movement

The Indo-Chinese people never ceased hoping for a new occasion for revolt. They hoped—but in vain—that the world economic crisis would so weaken French capitalism that revolt would again become possible. With the outbreak of World War II a terrible uneasiness weighed upon Viet-Nam.

Given these conditions, it is not surprising that the entry of the Japanese into Indo-China (September 1940) served to touch off a new wave of struggle for independence. The Indo-China revolutionaries thought that the French would engage in a long war with the Japanese and that they would be able to exploit this situation to their own ends. The first uprising occurred in October 1940 in the Northeastern mountains and other revolts followed quickly. But the French, instead of fighting the Japanese, arrived at a quick understanding with them and thus were able to muster enough force to suppress the uprisings.

The Indo-Chinese patriots now understood that it was necessary to build a solid organization that would unite their scattered forces. It was at this moment that Ho-Chi-Minh appeared. He brought together all existing groups, created new cadres and founded the League for the Independence of Viet-Nam, known as Viet-Minh. Ho-Chi-Minh realized that the interdependence of nations had assumed such proportions that what was now needed was a common front of all peoples against international fascism and for democracy. Transcending old hatreds, Viet-Minh called upon the French to ally themselves with the Indo-Chinese in this common front. The success of this appeal was not striking, but a political platform and the support—first moral and then material—of the Allies was thus gained.

Until the end of 1943, the Indo-Chinese resistance movement, directed now against the Japanese, remained underground, perfected its organization, maintained strongholds in inaccessible districts and gained ascendancy in outlying provinces. Even after 1943, which marked an intensification of the struggle, Ho-Chi-Minh still resisted the impatience of many of his friends who urged a general uprising. The lesson of the past had been well learned. An Army of Liberation was created but it still engaged in guerilla actions only. This tactic was the only appropriate one under the circumstances. The U. S. Office of Strategic Services contacted the resistance movement and much-needed material was dropped to the guerilla bands by parachute.

In March 1945 the Japanese, sensing that power was slipping from their grasp, eliminated the French Governor General and offered independence to Viet-Nam. But Ho-Chin-Minh's soldiers were anti-fascists as well as patriots. They answered the offer with increased military activity against the Japanese. By June the liberated zone encircled vast provinces and was within 60 kilometers of Hanoi. In August general insurrection was finally decreed. The pro-Japanese government was soon forced to resign; Emperior Bao-Dai abdicated, and on August 25, 1945 the Republic of Viet-Nam was proclaimed. A week later President Ho-Chi-Minh entered Hanoi as head of the new provisional government.

THE REPUBLIC STRUGGLES FOR FREEDOM

Dang-Chan-Lieu

The first revolutionary government, headed by Ho-Chi-Minh, came to power under extremely difficult conditions. Its program was that of Viet-Minh, since the other two parties participating in the government (Quoc-Dan-Dang and Dong-Minh-Hoi) had scarcely a program of their own. This program, summarized by Ho-Chi-Minh in an interview early in 1947, is in essence a most simple one: (1) To produce enough to provide each citizen enough rice and textiles for his basic needs; (2) To teach every citizen to read; (3) To guarantee all democratic liberties.

Other points concerned abolition of the hated head tax in favor of a more democratic system of taxation; equal rights for women and minorities; creation of a national economic system, banking system and army, and—in the foreign field—repudiation of all pre-existing treaties and negotiation of alliances with all democratic nations.

Meanwhile it had been decided at Potsdam that British troops were to occupy the South of the country up to the sixteenth parallel while Chinese troops were to occupy the North. The Allies were supposed to remain as long as necessary to disarm and repatriate the 200,000 soldiers of the Japanese army of occupation. The North was already under control of the central Viet-Nam government located in Hanoi and the South under the authority of an Executive Committee composed of its delegates. The Viet-Nam leaders were ready to assist the British in their tasks, providing the sovereignty of the Viet-Nam government was respected. The British, however, under Major General D. Gracey, feared the impact of Vietnamese events on their own empire, and sought to undermine the Viet-Nam position. French, Indian and even Japanese troops were used to "maintain law and order" while Vietnamese were forbidden to carry weapons of any kind. It was this decree which made it possible for 300 well-armed Frenchmen to occupy the public buildings of the Vietnamese government in Saigon and oust the Viet-Nam administration on September 23, 1945. Open fighting then broke out. The British made full use of their Gurkhas and Japanese fighters and once again the Vietnamese were forced to fall back on the traditional methods of guerilla warfare. After September 23, fresh French troops began to arrive in the country. Soon 60,000 well-trained French soldiers were ready to combat the Indo-Chinese forces.

The situation in the North was very different. The Chinese did not attempt large-scale interference in domestic affairs, though they backed two pro-Chinese nationalist parties in order to offset the influence of Viet-Minh to some extent. Primarily they were interested in getting what they

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could out of the country. The wealth which was drained out of the North during the period of Chinese occupation was enormous. Everything from simple pillage to complicated financial and monetary transactions made their stay in Indo-China extremely profitable to the Chinese forces of occupation.

In October 1945, the British administration turned over power in its zone to the French authorities. The French then negotiated with the Chinese in order to re-establish their control in the North, and a treaty was concluded in February 1946. Yet the North proved a harder nut to crack. The Chinese were prepared to leave, but the French commander discovered it would be impossible to land French troops without consent of Viet-Nam. For this reason, the French reluctantly resigned themselves to the necessity of negotiating also with the Indo-Chinese authorities.

The main question to be decided was that of Cochin-China where the chief centers were in French hands and which was cut off from the northern and central provinces of Tonkin and Annam. A compromise was reached in March 1946 according to which France recognized the sovereignty of Viet-Nam as a member state of an Indo-Chinese Federation (which would also include provinces not claimed by Viet-Nam) to be set up within the framework of *Union Francaise* (a new label for the old French colonial empire). In exchange for recognition, the Indo-Chinese authorities agreed to permit 15,000 French troops to be stationed in Viet-Nam for a period of five years. Viet-Nam was to have its own parliament, army, and conduct its own finances. As to the crucial question of the reunion of Cochin-China with the rest of Viet-Nam, it was agreed that this was to be decided by plebiscite.

This agreement represented many concessions on the part of Viet-Nam and it is doubtful that it would have been accepted by the Vietnamese people if Ho-Chi-Minh had not supported it vigorously.

Domestic Task of Viet-Nam

When the Chinese withdrew, the North was in a state of terrific exhaustion. The cumulative effect of Japanese exploitation and oppression and of Chinese pillaging was most disastrous. As the rice crop had been partially destroyed and reserves taken out of the country, a famine resulted claiming almost two million victims. Yet the enthusiasm of the people and government during 1946 brought an increase in rice and other agricultural production. The Government's campaign against illiteracy also made great headway. The illiteracy rate which had been 85 percent under the French was decreased by 20 percent in one year. Much of this was made possible through substitution of a new phonetic system for the old complicated Chinese characters.

Politically, the country was united around the struggle for national independence. In January 1946 a 400-member parliament was elected. If no miracles were accomplished in this period, it cannot be denied that reforms of a most far-reaching nature were introduced—reforms which the French either were unwilling or unable to bring about during 80 years of rule.

The French Come-Back

When the French landed in Hanoi after signing their agreement with Viet-Nam, they were received with acclamations by the people. But the French authorities in the South engaged in systematic separatist policies hoping to create a gulf between the two regions and thereby put themselves in a position to reassert their old authority. Attempts were made even to re-establish the Throne of Annam, but the ex-Queen refused to be used by the French against her own countrymen.

Meanwhile a new Vietnamese-French conference was held in Dalat to decide upon questions left open in the initial agreement. The two main questions were: the referendum to be organized in the South (Cochin-China), and the international status of the new Republic. In regard to the former, the French maintained that since the South was not yet "pacified," the referendum could not be held. Viet-Nam demanded an immediate referendum, claiming that only this expression of the popular will could bring peace and order to the South. Since the French were obviously determined on keeping the two regions separated, no agreement could be reached on this question. In respect to international status, Viet-Nam demanded the right to have independent diplomatic representatives abroad, though recognizing that Viet-Nam was to be part of the Indo-Chinese Federation and of the French Union. This concept was somewhat similar to that held in relation to the British Dominions. The French, however, had no intention of giving up the old protectorate system and they demanded that all diplomatic affairs be handled through the "motherland." Here again no agreement was reached and the conference adjourned after concluding a few agreements on secondary matters. These two problems were referred to a later conference in Paris.

The French tactics of postponement are understandable in light of the fact that while negotiations were going on, French troops continued their campaign of "pacification" in the South and also attempted to reinforce their position in the North.

As the Vietnamese delegation was en route to the Paris Conference (May 1946), the French High Commissioner, Admiral d'Argenlieu suddenly proclaimed the autonomy of Cochin-China and installed a provisional government consisting of four French citizens and seven Cochin-Chinese who had received French naturalization papers. This "government" was responsible to the French High Commissioner. The action obviously was counter to all previous agreements and, under these circumstances, it is not surprising that the new conference broke down. While the French government still negotiated with Ho-Chi-Minh in France, D'Argenlieu convoked another conference in Dalat, inviting representatives of Laos, Cambodge and South Annam to meet with the puppet government of Cochin-China to discuss the founding of the Indo-Chinese Federation. He thus confirmed that he had unilaterally decided upon the autonomy of Cochin-China which was an issue that was supposed to be taken up at Paris.

After the Viet-Nam official delegation had left France, Ho-Chi-Minh engaged in private conversations with French Colonial Minister Moutet

which led to a provisional agreement on a number of questions and called for the cessation of all hostilities pending new negotiations on the issue of Cochin-China. In short, a *modus vivendi* was reached. But Admiral D'Argenlieu had no intention of honoring this agreement which had not been signed by him but by his superiors in Paris. After a short period of relative quiet, hostilities were resumed. They have not ceased since.

The entire past year has been taken up with futile attempts by the French to occupy the entire country and find somebody with whom they can negotiate in order to by-pass the Viet-Nam government. The main cities remain in French hands, but they can make no gains in the hinterland.

French apologists attempt to explain the unanimity of the Vietnamese people by claiming that the dominant party, Viet-Minh, is totalitarian. It cannot be denied that the exigencies of a struggle such as Viet-Nam is forced to wage demands a certain discipline. But the mere fact that all the parties are unanimous does not mean that the government is totalitarian. The example of England during the years of the Hitler menace should have taught us that.

The Issue Today

The present conflict opposes two nationalisms. For France what counts is prestige and economic interests. But for Viet-Nam it is a matter of sheer existence. Return of pre-war colonialism would mean its end as a people and a nation.

Viet-Nam understands that France is trying to recover her world position after the 1940 defeat and five years of German occupation. But is France, in turn, ready to admit the necessity for Viet-Nam to lead her own life and direct her own affairs? A generous gesture, recognizing Vietnamese independence and unity, would prove to the world that the traditions of freedom and democracy are still alive in France. After such a declaration by France an era of collaboration between equals could begin and the resources of one nation would profit the other.

There is little doubt that a nation such as France, at great sacrifice of life and resources, can impose its authority in the larger cities and strategic points of Viet-Nam. But what would be the domestic and international consequences of such a policy? Coste Floret, French Minister of War, recently declared that in order to reconquer Viet-Nam, France would need 500,000 men. Would this not mean complete ruin of the French economy? Even if France succeeded in this perilous adventure, Viet-Nam guerilla resistance would continue.

Viet-Nam knows that continued war will contribute to the further ruin of the country, already depleted by years of fighting. But freedom is a goal that demands the most extreme sacrifices.

Let France be assured that if freedom is granted, Viet-Nam would never close its markets to France nor its schools to French teachers. Viet-Nam is ready to let bygones be bygones and to embark on a course of loyal cooperation between equals.

INTERNATIONAL PRESS

RETREAT FROM SCIENCE

Under the title "The Retreat from Science in Soviet Russia," the British monthly *The Nineteenth Century and After* (October 1947 issue) publishes a most valuable contribution by a leading British geneticist, C. D. Darlington of the John Innes Horticultural Institute.

In the first part of his article, Mr. Darlington deals with the brilliant developments in genetics during the first years of the Russian Revolution under leadership of N. I. Vavilov, who in 1921 was appointed President of the Lenin Academy of Agricultural Sciences. He then continues:

During the following twelve years the growth of Vavilov's work was one of the most impressive signs of the scientific prosperity of the Soviet Union. Under the control experiment stations sprang up in European Russia, Transcaucasia, Central Asia and the Far East. Under his leadership expeditions went to Afghanistan, Abyssinia, Mexico and Peru. Today his pioneer exploration of the sources of cultivated plants is being studied and his example followed, both for its practical and for its theoretical value, by Dutch, American and British scientists. In Soviet Russia, however, events took a different course. Under the new Stalin régime, after 1928, Marxist orthodoxy became more important. Party members of research institutes began to find it profitable to intrigue for promotion. Philosophical exegisis began to intrude more frequently into the papers of young scientists. Western influence became suspect. A screen was gradually drawn between Russia and the outside world. English summaries were reduced in scientific papers. Visits abroad became restricted to those who left hostages behind.

Gradually the new conditions began to have their effect. More and more was Soviet science preached as a thing by itself, derived from a canon which included Marx, Engels and Lenin and such as these had spoken well of. Marx had spoken well of Darwin so that Darwinism was sacred.

The application of these apostolic methods began to have more effect as the authority of western science waned and the authority of Moscow philosophy, so-called Marxism, waxed and flourished. A Government which relied on the absence of inborn class and race differences in man as the basis of its political theory, was naturally unhappy about a science of genetics which relies on the presence of such differences amongst plants and animals as the basis of evolution and of crop and stock improvement. It was desirable to have a theory of genetics interpreted and controlled by Moscow. It was only necessary to go back to the Lamarckian notions that Darwin himself had dallied with and to say that these were Darwinism or at least 'Soviet Darwinism.' It could then be assumed that better food would breed better wheat and likewise better men.

II

The situation of genetics in the Soviet Union as the first five year plan got under way was becoming what is called 'destabilized.' Scien-

tific genetics was still officially taught and applied, under Vavilov, to plant and animal breeding, and, under Levit, to medical science. But a strong undercurrent of misgiving was making itself felt in political circles, an undercurrent the possibilities of which were well understood in the more remote and backward provincial universities and research stations.

It was in this situation that a dramatic political change made itself felt. The rise of Hitler to power gave new life to the forces working against western science in general and against genetics in particular. Hitler's doctrine was founded on giving a distorted predominance to a distorted genetics. His theory assumed the permanent, and unconditional, and homogeneous, genetic superiority of a particular group of people, those speaking his own language. The easy retort was obviously to repudiate genetics and put in its place a genuine Russian, proletarian, and if possible Marxist, science. All that was needed was to discover a new prophet of Marxist genetics or Soviet Darwinism. The prophet was found in Trofim Dennissovitch Lysenko.

The first appearance of Lysenko was in 1928 in connection with special temperature treatments of wheat seed and plants by means of which the plant would come into ear earlier and could therefore be grown farther north. The discovery was based on the work of Gassner in Germany. It was Lysenko, however, a previously unknown worker at an agricultural research station in the Ukraine, who suggested the exploitation of this 'vernalization' in Russia. His modest proposals were received with such willing faith that he found himself carried along on the crest of a wave of such enthusiasm as only totalitarian machinery can propagate.

Perhaps Lysenko also became aware that such an eminence carried with it some vulnerability. For the area of land under vernalized wheat did not grow with the bubble of his reputation. Indeed, at the present day it is a moot point whether true vernalization of cereals is any longer practised in Soviet Russia.

In these anxious circumstances Lysenko seems to have concluded that the best method of defense was attack, and the people to attack were the geneticists who had been placed in a still more vulnerable position than himself by the rise of Hitler.

The campaign against genetics was built up at a series of national genetics congresses which were held in 1932, 1936 and 1939. Propaganda at all levels from the daily press to the scientific journal, and in all directions, practical and theoretical, political and philosophical, was brought to bear on genetics. Lysenko and his managers presented their arguments on a correct philosophical and canonical basis which made experiment unnecessary; which was fortunate for the experiments adduced were without controls, without definitions and without numbers. In a word they had no scientific meaning. The last, the 1939, conference was less a conference than a trial. Genetics, or "mendelism-morganism" as it had now become, was connected with fascism and therefore with treason. Clearly no hope was left for the geneticists. Many confessed their errors. The following year, Vavilov was dismissed from his executive post and arrested. Later

he was condemned to death (on the ground, as it happens, of espionage for Great Britain). When the Moscow prisons were evacuated in December 1941, he was removed in distressing condition to a concentration camp near Saratov. There he died.

In Vavilov's place Lysenko was appointed President of the Lenin Academy of Agricultural Sciences and Director of the Laboratory of Genetics (the name still stuck to it) of the Academy of Sciences. He also became a Vice-President of the Supreme Soviet.

The first victims were in 1932 when G. A. Levitzky, the cytologist, and his pupil N. P. Avdoulov, were sent to labor camps. Vavilov asked Stalin for their release, a request which was temporarily and grudgingly granted. At the same time B. S. Chetverikov the pioneer of population genetics and W. P. Efroimson were sent to Siberia and nothing was heard of them for fifteen years. In 1935 the first two geneticists I. J. Agol and L. P. Ferry were put to death. In 1937 the head of the great institute for medical genetic research in Moscow, S. G. Levit, was put to death and at the same time probably Avdoulov. In 1939 N. A. Iljin, an outstanding animal breeder, disappeared, leaving a posthumous paper to appear in the *Journal of Genetics*. In 1942, not only Vavilov, but also his closest cytological colleague, G. D. Karpechenko, died ("in the fighting," so it was said). At about this time J. J. Kerkis, the *Drosophila* geneticist, disappeared following a party cell intrigue and Levitzky was finally sent back to a labor camp where he died. At about this time also N. K. Koltzov, the cytologist and doyen of Russian biology, died and his widow committed suicide.

In a word, after thirteen years of persecution, the great fellowship of Russian biological research, formed in the revolution, had been crushed and broken.

III

The western scientist is bound to seek a parallel for these events in his own history. For men who died because they asserted the freedom of scientific inquiry from dogmatic control, nazism and fascism do not offer comparable examples. In Germany and Italy a sound genetics continued as an underground movement under fascism and has survived today. Even if we look back as far as Giordano Bruno, who died in 1600 at the hands of the Roman Inquisition, we find only a solitary victim.

There can be no doubt that the genetics controversy is in one respect much more serious than any similar scientific purge. It means the collapse of an important part of the scientific foundations of an improved agriculture on which the peoples of the Soviet Union depend for their food.

Lysenko and his followers are ignorant of foreign languages and no foreign book on genetics or cytology has been translated into Russian since Stalin took control. Their notions of western genetics and cytology are therefore always twenty-five years out of date. Yet the bogus achievements of Lysenko continue to be foisted on us (and still more aggressively on the Russian-occupied zone of Europe) by the Soviet propaganda machine. The window-dresser and the shop-gazer have ceased to be aware of the deception they are propagating, of the dream world they are living in.

It is a rule that proselytizing religious communities and other missionary bodies forswear, to some extent, the principles and practices on which they have based their claims to political power when in the end they achieve that power. Never has there been so ironical a situation as that in which the authorities in Moscow reproach the rest of the world for an idealism and superstition which are everywhere being supplanted by a materialistic science except in Moscow — and perhaps Madrid.

Once science has been brought under control the change is hardly to be remedied. The further Soviet biology moves away from the natural materialistic development of science the more loudly will its prophets declaim against the wickedness of capitalist or fascist science and the more loudly will they proclaim the mystical merits of Soviet Darwinism.

IV

Another question now arises: what bearing has this history on the fate of scientific research in general in the Soviet Union? From time to time other branches of science, less notable in Russia than genetics was, are cleaned up and the survivors, physicists or psychologists, made to understand the correct lines of development until the next change of front. But apart from the caprices of a despotic Government there is something else in the Stalin system equally, although more gradually, fatal to science. The general requirements of secrecy and seclusion would hamstring the scientific research of any country in the long run. In Russia, which has never been above the fifth place in fundamental research, their effect is bound to be more rapid than it would be in any of the first four.

Science proceeds very largely by disagreements, controversies, or conflicts, processes which are resolved outside Russia by new dialectical transformation, new syntheses. Inside Russia they are resolved in the scientific, as in the political, field by the destruction of one of the parties to the conflict. The make-believe of free controversy, dressed up as for example in the Genetics Conferences, is pure pantomime. All these factors quite as much as the dramatic open plots, trials and persecutions which have led to the suppression of genetics, are bound to crush fundamental research in Russia into irretrievable ruin. The survivors of the pre-revolutionary generation are still in charge. When that diminishing company has gone we shall see the results of subjecting science to philosophy and philosophy to politics in a totalitarian hierarchy.

FREEDOM IN THE AGE OF PLANNING

Under the title "Freedom in the Planning Era," the British socialist monthly *Left* prints a stimulating article by P. Allen Skinner dealing with the impact of British nationalizations on freedom.

When politicians talk of planning, begins Mr. Skinner, they are wholly concerned with industrial matters on the assumption that such values as are not directly related to material production can be left to take care of themselves, but it has to be recognized that some things even more important than greater production may be involved. When industry was unplanned and uncentralized, it led to a great deal of waste and overlapping and other forms of disorganization, and a consequence of this was poverty and

want. That same competitive anarchy, however, also led to gaps and inefficiency in the control of men's lives, and there was consequently a basic sub-stratum of individual liberty that was left unassailed independently of the political form of society. Liberty was secured to men—at least, to many men—because the industrial system was not sufficiently planned for their liberty to be invaded. With the planning of industry that negative safeguard will be removed and if we are able in the future to maintain individual liberty we shall have to plan for liberty with even greater resolution than we plan for production. That is what makes the introduction and development of democracy in industry of such vital importance.

If we advance to a complete scheme of nationalized industry on the basis of the present principles applied by the Labor Government and have to contemplate all the main industries in the country being brought under the control of small boards of selected men on the lines of the mines control, this means that the whole industrial power of the nation will be concentrated in the hands of a very few people. If we assume that all the 640 Members of Parliament really share in effective control and that each Board of Management is to consist of some ten or twelve people (the Mines Board has nine members and the Transport Board is to have five) this will mean, at an extravagant estimate, that the control of the whole industrial life of the country will be concentrated in the hands of some thousand men and women. To the control, that is to say, of the machinery of government, policing, education, social services, etc., will be added the control of the whole productive machinery of the country; and the whole effective means of power will thus be concentrated in the hands of about a thousand people in a population of 47 millions.

It is true that theoretically there is the constitutional check of the periodic general election, but the inescapable character of these periodic checks has not been very apparent in the last few decades. Parliament itself is able to set aside the need for an election in any emergency and it is Parliament itself that decides what is an emergency. There are very powerful reasons that dispose the average M.P. to decide that an emergency has arisen which requires that he shall continue to occupy his Parliamentary seat, and in the situation we are envisaging it will be more easy for him and his fellows than it has been in the past to act unchallenged upon a decision in this sense because in addition to the machinery of government being in their hands, they will also be in control, in conjunction with the members of the industrial boards (dependent upon the ministers and the Cabinet for their positions) of the whole industrial power of the country. Here we shall be putting into the hands, at an outside estimate, of some thousand people, a higher degree of centralized power than has ever been exercised by any authoritarian regime apart from Russia.

We have, therefore, to bring effective safeguards for liberty into our planning framework. As we move forward to a planned society it is imperative that we shall make every effort through devolution to spread the exercise of power as widely as possible. One of the most

effective methods of developing power is to contrive that the industrial machinery shall be within the control of those who work in industry; through the development, that is to say, of industrial self-government on democratic principles.

This means that there must be in industry the freedom of democracy, and the workers' trade unions are the appropriate instruments to give expression to that democracy.

There was a period following the 1914-18 war when the whole trade union movement, including the Trades Union Congress, was directing its aspirations towards the conception of Workers' Control. These aspirations are today unfortunately, so far as trade union officialdom is concerned, merely a part of past history despite some calculatedly vague endorsement that is occasionally given to the idea of workers' participation in management. The trade union leaders appear to be skeptical regarding the success of the organizations they lead in justifying the theory by which the Webbs found the trade unions the experimental schools for the development of democratic capacity among the workers. They are apparently afraid to take themselves the lead in carrying the principles of the representative democracy into the sphere of industry; and they are skeptical of the workers' capacity for the acceptance of responsibility. Whatever they may feel today about Mr. Winston Churchill's pre-war charge that: "Labor is not fit to govern," they have no doubt at all that labor (with a small "l") is not fit.

The Trade Union Congress, for example, sets out its view on the relation of the worker to the control of industry in the "Interim Report on Post War Reconstruction." Although the report remarks that "the Trade Union Movement exists to extend the influence of working people over the policies and purposes of industry and to arrange for their participation in its management," when it comes to deal with the principles that are to govern union participation in the running of industries under public control, it lays down that members of the Controlling Boards who may be selected from the workers' representatives shall sever their relationship with the workers' organizations and shall have no further responsibility to them. The earliest appointments of this type are Lord Citrine to the Mines Board and then to the Electricity Control, Mr. Ebby Edwards to the Mines Board and Mr. John Benstead to the Transport Board.

Where the Report deals with control at the workshop level "it recommends the setting up of Works Councils on which the trade unions should be represented. The function of these Councils, however, is to be limited to the fact that they are to be available for 'consultation' by the management."

It would take too much space to seek to analyze the reasons why the bright hopes of the nineteen-twenties regarding the possibilities of industrial democracy exist no more today. If we are to maintain the possibility of freedom in the planned Society, however, it is imperative that they shall be revived. If there are to be trade unions in a planned society it is clear that they must either be an important part of the means of guaranteeing the conditions of freedom, or they must become one of the subordinate instruments for totalitarian control.